

No. 560.

ST. HELENA.

REPORT FOR 1907.

(For Report for 1906, *see* No. 526.)

Presented to both Houses of Parliament by Command of His Majesty.
June, 1908.



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ST. HELENA.

(For Report for 1906, ⁸²³ No. 526.)

THE GOVERNOR TO THE SECRETARY OF STATE.

The Castle,

St. Helena,

13th March, 1908.

MY LORD,

I HAVE the honour to transmit herewith the Colony's Blue Book, together with my Annual Report thereon for the year 1907.

I have, &c.,

H. L. GALLWEY,

Governor and
Commander-in-Chief.

The Right Honourable
The Earl of Elgin and Kincardine,
K.G., G.C.S.I., G.C.I.E.,
Secretary of State for the Colonies.

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ANNUAL REPORT FOR THE YEAR 1907.

I.—FINANCIAL.

The financial condition of the Colony at the beginning of 1907 and the outlook ahead were such as to cause grave concern and to make it imperative that every effort should be made to adjust the finances to the altered circumstances in which the Colony found itself. To cut down the annual expenditure so as to fall within the revenue meant to seriously impair the efficiency of the public service. The only alternative was to make a determined effort to effect all possible economies so as to allow of ordinary efficiency being maintained. Even this involved the necessity of thorough reform and retrenchment in all branches of the administration. I do not propose to enumerate in this report the many economies effected. I will, however, content myself by mentioning the most important retrenchment adopted and which came into force on the 1st January of the year under review, namely:—a reduction, varying from 10 per cent. to 3 per cent., in the salaries of all permanent officials, from the Governor downwards. In addition to a 10 per cent. reduction in his salary the Table Allowance of £200 drawn by the Governor was abolished. That a determined effort was made to meet the altered financial condition of the Colony is plainly illustrated by the fact that the actual excess of expenditure over revenue for the year under review was only £850, whereas the annual estimate as submitted prior to the rigorous cutting down of expenditure showed a deficit on the year's transaction of £3,130, in spite of careful economy having been exercised when preparing the estimate. The reductions in pensionable officials' salaries alone amounted to £777, which reductions were the only alternative to reducing the staff by enforced retirements. Great credit is due to all officials for the loyal spirit in which they accepted the sacrifice they were called upon to make.

(A.) REVENUE.

During the year under review a total revenue of £7,207 8s. 8d. was collected, being £767 13s. 8d. in excess of the estimate. As compared with the previous year the revenue showed a falling off of £1,681 6s. 2d.

The increase in revenue over the estimate was due to larger receipts, amounting to £300 odd, under "Customs" than was

anticipated; and under "Fines, Fees, and Reimbursements-in-aid" there was an excess of £351 odd, entirely owing to monies realized by the sale of old lead and other metals, the accumulation of years, and of a ship's cable which had lain on the wharf for a considerable time. The material named brought in a net profit of £367 odd. There were minor increases under all other heads excepting one, "Licences, &c.," which showed a small deficit of £8 16s. 9d. There were only three taverns open in Jamestown during the year as against five in 1906.

An improvement in the economic situation which set in during the last three or four months of the year accounted indirectly to some extent for the increased revenue.

Not included in the revenue was a sum of £329 7s. 4d. received from Jamestown householders during the year in repayments of principal and interest under the Drainage and Water Works Ordinances. The actual amounts due were: principal £550 0s. 7d., and interest, £106 9s. 11d.—thus showing that about 50 per cent. of the claims remained unpaid at the end of the year. The acute depression existing in Jamestown made it quite impossible for many householders to meet the Government's demands. Each case was treated on its merits, and in some cases it was not only necessary to carry the annual instalment forward but also to write off the interest. The burden of these water and drainage claims is a veritable incubus to the majority of the Jamestown community. It is difficult to see how many of the debtors can ever possibly hope to pay back the monies advanced to them. Two out of every three houses in Jamestown are mortgaged, which fact adds to the financial worries of the owners thereof, many of whom were out of work most of the year and many have large families to support.

The revenue was £849 11s. 9d. less than the expenditure, the smallest deficit in any one year during the last five years.

(B.) EXPENDITURE.

The year's expenditure amounted to £8,057 0s. 5d., being a saving on the estimate of £235 12s. 7d., and a decrease of £2,222 16s. 6d., as compared with the previous year.

The principal savings were:—(a) "Customs," £72 13s. 3d.; caused by the refund of wharfage on coal supplied to H.M.S. "Pelorus" on the last day of the year not being claimed within the year; (b) "Police," £38 4s. 3d.; very few special constables employed, and casual savings under several sub-heads; and (c) "Miscellaneous," £36 0s. 6d.; no shipping of specie by Government necessary. There were small savings under every head but one, namely, "Medical," where there was

an excess of £6 odd, due to the cost of drugs, &c., supplied to the Zulu prisoners, the Colony being reimbursed for same by the Natal Government.

(C.) ASSETS AND LIABILITIES.

There was a surplus of assets over liabilities on the 31st December, 1907, of £1,183 15s. 3d., being a decrease of £1,164 5s. 2d., as compared with the figures on the same date of the previous year.

Among the Colony's assets is the sum of £4,278 16s. 9d. due from householders under the Drainage and Water Works Ordinances. I fear very much that a large part of this amount will prove to be irrecoverable.

The most important asset is a sum of £20,516 9s. 6d. invested by the Colonial Government on behalf of the depositors in the Government Savings Bank. The market value of these investments on the 31st December, 1907, was £19,342 8s. 3d.

At the end of the year under review the Colony owed the Crown Agents for the Colonies the sum of £4,142 12s. 11d., bearing interest at Bank rate. The amount named is only £326 15s. 10d. in excess of the debt owing to the Crown Agents on the 31st December, 1906, in spite of the year's expenditure having exceeded the revenue by £849 11s. 9d. The expenditure as estimated for 1908 has been cut down to below £8,000, and it is difficult to see how further retrenchments can well be made, and ordinary efficiency preserved, in order to keep the expenditure within the limits of the revenue, especially considering that the salaries of all permanent officials have already been reduced and current disbursements in every department have been cut down as far as is considered feasible. It is, however, satisfactory to note that signs of some prosperity returning to the Colony are not wanting, and the outlook for the coming year is decidedly brighter than was the case a year ago.

(D.) GRANTS.

In the revenue and expenditure returns are not included in the following Parliamentary grants allotted for special purposes during the year under review:—

(a.) £4,070, to establish the flax industry.

(b.) £300, for relief works.

Of the first grant the sum of £3,412 19s. 5d. was expended up to the 31st December, 1907. The whole of the £300 grant was expended early in the year in repairing the roads and wharf. The money was granted in the nick of time as the distress among the labouring classes had reached an acute stage by February of the year under review. It was an example of

the truth of the saying, *Bis dat quo cito dat*. There is no doubt that the grant coming when it did was more useful to the Government than a larger sum would have been later on, so grave was the situation at the time. The expenditure of the £300 was spread over about six or seven weeks, and not only relieved much distress but was the means of saving the roads of the Colony from suffering unduly from the unusually heavy summer rains.

There was a third grant allotted by His Majesty's Government towards the end of the year to provide for the laying of a new water main in the Longwood district. No expenditure, however, was incurred under this grant during the year under review.

His Majesty's Government also made a grant of £470 to the St. Helena Lace-making Association to enable that body to establish an industry in the Colony. £170 of the amount named was an actual grant, but £300 is on loan, to be paid back by degrees as the industry develops. The Association named is not a Colonial Government institution. The Government, however, advance the Association the necessary monies, within the limits of the grant, to cover its expenditure, recovering the monies as advanced from the Colonial Office. The Association has to furnish the Colonial Government with vouchers supporting expenditure in order that the Secretary of State for the Colonies can satisfy himself that the monies advanced by the Colonial Government are properly expended and accounted for.

(E.) CURRENCY.

At the beginning of the year it was estimated that £5,000 was the cash circulation of the Colony. The Eastern Telegraph Company imported £1,250 during the year, whilst £2,917 was exported during the same period. The cash circulation must considerably increase now that the flax industry is established owing to the large disbursements made by the Government mill.

Bills on the Crown Agents were issued to the Post Office Department and to the public to the value of £6,146 16s. 6d. during the year under review, being a decrease of no less than £9,928 8s. 6d., as compared with 1906. No commissions were received on those bills as there is practically only one merchant who requires them, and rather than consent to pay any commission he prefers to ship his specie home in spite of the extra expense incurred thereby. In any case, the Government can only afford to issue bills when they require cash to meet current expenditure, and so there are arguments in favour of the bills being issued free of commission.

In addition to remittances by means of specie and bills of exchange, the public remitted the sum of £3,809 3s. 10½*d.* to the United Kingdom through the Post Office, being £1,145 1s. 11½*d.* less than in 1906. Other particulars as to remittances through the Post Office are dealt with under the head of Postal Services.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A.) TRADE.

The year under review is for many reasons a very interesting one as regards Customs statistics from the fact that the Island was left to its own resources, the garrison having been withdrawn in the previous year.

Revenue.

The Customs revenue amounted to £3,300 9s. 11*d.* (£300 9s. 11*d.* in excess of the estimate), being £1,564 3s. 9*d.* less than in 1906. This decrease is accounted for under every head as shown in the comparative statement O*, attached to this report, and as also hereunder specified.

“Permits.”—Due to the fact that there were a smaller number of importers and also very few ships taking dutiable goods as stores. The deficit, however, under this head was only £4 16*s.*

“Wharfage.”—Decrease £531 9s. 1*d.* Chiefly owing to His Majesty’s ships taking less coal and patent fuel in 1907 than in 1906, and generally to the withdrawal of the garrison. Import of coal alone showed a deficit of £351 6*s.* Coal and patent fuel imported in 1907 was 1,851 tons, as against 4,193 tons in 1906.

“Duty.”—Decrease £713 17s. 5*d.* The working classes having only casual employment it was difficult for them to get the necessaries of life, let alone beer and such luxuries. The most marked decrease is under beer:—78 hogsheads and 259 dozen bottles being imported during the year, as against 358 hogsheads and 743 dozen bottles in 1906. The absence of a garrison chiefly accounts for this drop. There was also a falling off in the importation as compared with 1906 of 553 gallons spirits, 1,081 gallons wine, and 660 lbs. tobacco.

* Not printed.

“Tonnage Dues.”—Decrease £178 16*s.* The explanation given under “Wharfage” applies to this head also, £117 2*s.* alone being accounted for by loss in tonnage of coal and patent fuel as compared with 1906.

“Warehouse Rent.”—Decrease £9 2s. 9*d.* There being fewer packages cleared for home consumption, consequently a loss resulted under this head. There were less dutiable goods in bond at the end of 1907 than at any previous period.

“Water.”—Decrease £126 2s. 6*d.* Two reasons account for this: first—there were very few ships requiring water, especially His Majesty’s Navy; and secondly—the price charged for water was reduced in July of the year under review from 5*s.* to 2*s.* a ton in the case of merchant shipping and from 2*s.* 6*d.* to 2*s.* a ton for His Majesty’s ships.

Expenditure.

The expenditure for the year amounted to £633 5s. 9*d.*, being £249 8s. 8*d.* less than in 1906. £51 odd of this decrease is covered by reductions in the salaries of officials. £233 14*s.* was refunded to the Admiralty coal contractors for coal and patent fuel supplied to His Majesty’s ships during the year under review. This amount is £138 16*s.* less than in the previous year.

Imports.

The general cargo imported during the year amounted to 3,448 tons, as against 6,113 tons in 1906. The total value of imports was £35,614 (including £1,250 specie), being £5,777 less than in the previous year. The value of goods in some instances exceeded the figures of the previous year. Drapery and dry-goods were valued at £3,312, as against £2,885 in 1906. This increase is chiefly accountable to the 100 men who emigrated to Namaqualand spending their advance money, and in several instances withdrawing their savings from the bank to purchase clothing outfits. The value of grain, seed, and oil cake imported amounted to £1,617, as against £934 in 1906. It is more than probable that a large quantity of these goods is still on hand, pointing to a reduction in imports thereof in the coming year. Machinery imported was valued at £1,217, as compared with £533 in the previous year. This increase was due to the comparatively large imports of phormium mill machinery by the Colonial Government.

£1,250 specie was imported during the year under review owing to the scarcity of coin in the Island at one particular period of the year. Owing to the Colonial Government not being in a position, as they were when troops were stationed in

the Colony, to grant bills of exchange to the merchants whenever required by the latter, those merchants had to export specie to England to meet their purchases in that country. This fact tended to reduce the amount of cash in circulation, and the importation of specie referred to was made by the Eastern Telegraph Company to pay the salaries of its officials. The large amount of money required by the Colonial Government to establish the phormium industry in the Island during the last four months of the year prevented a continuance of any considerable export of specie during that period as the Colonial Government was in a position to issue bills of exchange to the merchants in return for cash.

The chief decreases under imports as compared with 1906 were:—beer, £1,277; coal and patent fuel, £4,798; oilman's stores, £1,146; and rice, £492.

The chief imports were as follows:—

Articles.	1907.	1906.
	£	£
Beef and pork	1,162	1,203
Beer	644	1,921
Butter	1,451	1,477
Cigars, cigarettes, and tobacco	820	810
Chemicals, drugs, &c	508	640
Coal and patent fuel	3,332	8,130
Drapery and dry-goods	3,312	2,885
Flour	1,930	1,898
Grain, seed, and oilcake	1,617	934
Hardware, metals, &c.	684	758
Leather, boots, &c.	790	764
Machinery	1,217	533
Oil, paraffin	670	750
Oilman's stores	6,692	7,838
Rice	2,833	3,325
Specie	1,250	—
Spirits	775	1,015
Stationery	494	400
Sugar	2,171	2,294
Sundries... ..	725	836
Tea	556	756
Wine	515	766

Exports.

The total value of exports was £4,704, including £2,917 specie, as against £9,262, including £8,815 specie, in 1906. Old metal to the value of £1,175 accounted, apart from specie, for most of the exports. In this year the first export, for many years, of phormium and aloe fibre (4 tons weight, valued at £103) took place. No export in phormium fibre was made by the Colonial Government as their mill only commenced work in

December of the year under review. The first shipment actually took place on January 5th, 1908.

(B.) AGRICULTURE, FORESTS, AND GARDENS.

The year under review was fairly satisfactory for agriculture, but on the whole was not so good as 1906. Potato crops were below the average, and yet the supply was well in excess of the demand. Four shipments of potatoes, amounting in all to 35 tons, were exported to the Cape, resulting in a net loss of £46 to the exporters. The duties levied on the shipments referred to amounted to £79. Consequently under former conditions there would have been a profit of £33 on the 35 tons, or roughly £1 a ton. Not a large profit, but quite sufficient in these hard times to make it worth while exporting the produce. That the potatoes were of the best quality is quite clear, as the commission merchants who sold the same reported as follows: "There is no doubt that the quality is excellent and that they will always command the best figure in the market." Grain crops were small during the year owing to want of rain in August and September. Cattle were not in as good condition as in 1906—the pasture lands being more overstocked than ever. This fact necessitated the killing of many calves at birth—a lamentable state of affairs. Sheep did well and dairy produce was equal to demand. No hay was made. The most serious drawback to farming in St. Helena is the small demand for cattle and the low value realized for the few animals sold. There is practically no sale for beef except at most unremunerative prices. Several stock owners hold lands on lease, which lands they have to retain until they get rid of their stock. Farming is therefore a very poor commercial business in St. Helena in these days. The stock owners petitioned His Majesty's Government during the year under review praying that if no market could be found for their surplus stock some compensation might be granted them. The petition failed, and the farmers' only chance now lies in the possibility of the Admiralty consenting to purchase cattle from St. Helena for the use of His Majesty's ships in South African waters. Even then, owing to the low price of beef in South Africa, the animals must be sold at starvation prices. The farmers have already intimated that they are prepared to accept 2½*d.* a pound live weight (equivalent to 4½*d.* a pound for beef) put on board at St. Helena. Failing the disposal of a large number of cattle there can only be one result. Many of the small owners have already had to dispose of their cattle in the local market at a price well below what it has cost them to raise those animals in order to meet pasturage and living expenses. They have been thus forced to sacrifice their capital which in many cases they have striven hard to obtain.

About 400 young trees were issued to landowners free of cost from the plantation nurseries during the year, and the same

number were planted out on Government lands. A considerable acreage of land was laid out in flax (*phormium tenax*). The planting of suckers was, however, chiefly confined to the two largest landowners, who between them laid down about 118,000 suckers covering about 110 acres. In addition to this, towards the end of the year, 32 landowners were granted a total sum of £451 to assist them in planting flax—the land to be planted being about 245 acres. The poorer owners of those referred to received wire and posts for fencing free of charge in addition to the money grant. Approximately, only about 30,000 suckers were laid down under the grant referred to by the 31st December, 1907. Some difficulty is being experienced by some owners in obtaining suckers for planting, as they (the suckers) only become available as the leaves are reaped for delivery to the Government mill; and in many cases the owners of the plants require those suckers to extend their own planting. It is plain that the only practical method of planting is by means of suckers. Efforts to grow the plant from seed failed utterly. The seed dealt with was brought from New Zealand by Mr. Fulton, the flax expert, and was laid down and treated strictly in accordance with his instructions. There is no doubt that at the best the raising of phormium plants from seed is a laborious process, and it would probably be at least seven years before the leaves were ready for reaping. The young plant is very delicate and requires careful rearing in its earlier stages. The seed was sown in June of the year under review, and took four months to come up, when it was entirely destroyed by grubs.

Mr. F. L. McDougall spent a month in the Colony towards the end of the year, during which time he laid out several experimental plots of the Island in black wattle seed. There are a considerable number of these wattle trees in St. Helena in a thriving condition. There is no doubt that the general climatic conditions of the Island are favourable to wattle growing. As a commercial success, however, such growing must be experimental for some years. Mr. McDougall left the Colony early in December with the idea of returning here a few months hence in order to satisfy himself as to the success or otherwise of his experimental plots.

The experiments made with ramie seed, referred to in last year's report, were not satisfactory, and the project was abandoned. There is nobody in St. Helena with any real knowledge in botanical matters, consequently any attempts made to grow new plants, &c., are carried out by mere amateurs. Even our gardeners, except where raising vegetable crops is concerned, are practically labourers with a slight knowledge of gardening thrown in, which knowledge they have very little opportunity of adding to.

The peach-fly has not yet been got rid of. I am afraid the apathy of the islanders will remain a bar to the pest referred

to being ever entirely eradicated from the Colony. A man may lose his entire crop of peaches, figs, &c., owing to the ravages of the pest. Among the poorer people this means a serious falling off in their small annual takings. It does not, however, by any means imply that the victim will move a hand to cooperate with the Government in its efforts to exterminate the fly. The indifference of St. Helenians in such matters is most marked. In June of the year under review the Government Entomologist (Mr. A. M. Lea) in Tasmania kindly informed me of a wonderful discovery which was accidentally made in Western Australia where it was found that pure kerosene oil attracted the peach-fly. Most satisfactory experiments had been made proving that the flies getting into the oil was in no way accidental, but that they were really attracted by it. I had printed copies of Mr. Lea's letter distributed to all fruit growers in St. Helena in the hope that the simple remedy recommended would be widely taken advantage of. The peach-fly season is now on (February, 1908), but I doubt if more than half-a-dozen growers will even take the trouble of trying the oil remedy. Under the Peach-fly Ordinance of 1904 the Governor of the Colony has power to appoint inspectors to enforce the terms of that Ordinance. Unfortunately the Colony's finances will not allow of paid inspectors being appointed. I am afraid that until paid supervision can be arranged for the peach-fly will continue to inconvenience a community who are either unable or unwilling to help themselves in a very simple matter. The only gardens in which the terms of the Peach-fly Ordinance are rigorously (or even to any great extent) observed are at Plantation and Maldivia Gardens, Jamestown.

The sale of fruit from Maldivia for the year amounted to £11 8s. 7d.; and the amount realized by the sale of trees from Government lands was £10 12s. 6d. The figures in 1906 were £32 4s. 4½d. and £17 5s. 9d. respectively.

(C.) INDUSTRIES.

Phormium.—St. Helena at last possesses a genuine industry of her own. On December 2nd of the year under review the Colonial Government phormium mill commenced regular work under most favourable circumstances. From 1875 to 1881 the Colonial and Foreign Fibre Company ran a mill in Jamestown at which they turned out both aloe (*Furcraea gigantea*) and flax (*phormium tenax*) fibre, chiefly the latter. The Company was not at all successful as a commercial undertaking. I fancy want of business methods chiefly attributed to this end. During the last four years the Company had no less than 16 machines at work, driven by two engines, and yet their largest output in one year was 615 bales, valued at

£1,867, a bale weighing 400 lbs. I do not forget that machinery for dealing with phormium leaves has greatly improved since those days. To return, however, to the present time. After the matter had been thoroughly gone into between the Colonial Office and this Government, and Professor Dunstan of the Imperial Institute having given his opinion in favour of the establishment of the New Zealand hemp industry in St. Helena, the New Zealand Government kindly lent the Colony the services of an expert to start the industry on a firm footing. Mr. C. J. Fulton was the official selected for the work. He arrived in the Colony in May, and, having reported favourably on the suitability of St. Helena for phormium growing, proceeded to London a month later in order to purchase the engine and other gear for the mill, the stripping and scutching machines having already been ordered from New Zealand. Mr. Fulton, accompanied by Mr. A. W. Hall (an experienced New Zealand phormium miller), returned to the Colony in August, and the work of erecting the mill commenced. Previous to proceeding to England Mr. Fulton selected a site for the mill at Longwood. This selection called forth much adverse criticism, but chiefly by persons quite unacquainted with the requirements aimed at. The only real objection to the site chosen was its distance away from the Western and Sandy Bay districts of the Island. No site, however, could possibly suit every grower equally. Consequently whatever site had been fixed upon would have found its adverse critics. The extraordinary topographical features of St. Helena make it a very difficult matter to find a suitable site for a phormium mill, for the working of which two essentials are imperative: firstly, you must have a good water supply from a stream that is not depended upon for drinking water by houses situated below the site of the mill, as the water passing through the mill becomes contaminated with vegetable matter. Secondly, a large drying or bleaching field is necessary, which should be as flat as possible. There are very few fields in St. Helena not on a slope. The site chosen possesses the two advantages named. In order, however, to obtain a regular and sufficient supply of water it was found necessary to construct a 30,000 gallon concrete tank in the mill field. This tank is fed from the water main; and now that the mill has been working for four months it has been found that the mill requirements are not inconveniencing the supply of water to the general public in the district concerned. I am quite satisfied that the site chosen is the best possible under the circumstances. In fact, except for its distance away from certain phormium plantations, it is an ideal site. The erection of the mill buildings—consisting of engine room; stripping, scutching, and baling sheds; fibre store; general store; office; and stable—was superintended by Honorary Major Michie, late R.E., whose knowledge in building matters was of great assistance to this Government. The buildings were completed

on the 30th November of the year under review, and milling was started two days later. The equipment of the mill consists of a 32-b.h.p. oil engine (burning about 18 gallons of oil a day), built by Messrs. R. Hornsby and Sons, driving one Booth-Macdonald stripping machine and one scutcher. At present 4 tons of leaves are dealt with daily, producing about $\frac{1}{2}$ ton of fibre and tow. The stripping machine is only worked for about five hours a day, the scutcher for the entire day, eight and a half hours. It is considered advisable at the start not to deal with more than the 4 tons of leaves a day until it is seen how long the leaves ready for reaping in the Island are likely to last. The great object is to ensure a sufficient supply of leaves to last out until the plants put down lately are ready for cutting, and so avoid shutting the mill down. I would mention that besides the manager and local manager (under instruction) the mill employs 16 hands, who earn a total weekly wage of over £12. The mill was formally opened by the Governor of the Colony on the 5th December, and it was very evident that many sceptics, who in the past had doubted the wisdom of establishing a phormium mill in the Island, had seen fit to change their minds. I have all along maintained that the industry, if properly managed, would prove a valuable asset to the community. I am more than ever of this opinion now that I have seen the mill at work for nearly four months. Provided the price of fibre in the London market does not fall to any very great extent the industry will flourish. To ensure success, however, the roads of the Colony must be kept in fair repair. A mistaken idea has somehow got abroad that donkey transport can keep the mill supplied with leaves. This is quite a wrong impression. Donkeys have not the necessary stamina. Carts alone, preferably drawn by bullocks, will keep the mill supplied with the required quantity of leaves. For this transport the roads must be kept in fair order. The hilly nature of the Island causes heavy rain to inflict abnormal damage to the roads in a very short space of time. The fact of the mill paying out about £3,000 locally every year, thus increasing the cash circulation by about 60 per cent., is in itself sufficient to show that the establishment of the industry must prove a great benefit to the community as a whole. For the first month the management of the mill was in Mr. Fulton's hands. That gentleman left the Colony on January 5th, 1908, handing over the management to Mr. A. W. Hall. The thanks of this Government and of the community generally are due to the New Zealand Government for having come to the Colony's assistance by sending an expert to establish the first genuine industry possessed by St. Helena. Needless to say the thanks of this Government were conveyed by me at the time to New Zealand Ministers through Lord Plunket, the Governor of the Dominion. Although no shipment of produce from the mill was made in 1907, owing to there being no steamer until January 5th of the following year by which to ship, it may not

be out of place to state in this report that by the 1st March, 1908, about 28 tons of fibre and tow had been shipped to England by the Government mill. The Union-Castle Steamship Company in order to encourage the industry very generously offered to carry the first 60 tons of fibre and tow to England freight free—an offer which was gladly accepted. It was an unfortunate coincidence that just about the time the Government mill started work the price of fibre in the London market fell by about £8 a ton. The funds necessary to establish the industry and place it on a sound footing were granted by Parliament, the actual grant voted being £4,070.

Besides the Government phormium mill there is another mill running, the property of Mr. T. L. M. Adams. This mill was established more than a year ago, but the output of fibre so far has been very small—3 or 4 tons in all. Mr. Adams works under great difficulties owing to a very inadequate water supply. On the other hand the transport of leaves costs him practically nothing as there is a very extensive flax plantation alongside the mill, which is situated 2,000 feet above the sea. Mr. Adams does his stripping only in the country, scutching being carried out in Jamestown.

Aloe.—Very large quantities of the so-called aloe, *furcraea gigantea*, are growing in St. Helena, the fibre of which is even more valuable if anything than phormium fibre. In the case of the former plant, however, it takes forty tons of leaves to produce one ton of fibre, as against one ton of fibre from eight or nine tons of phormium leaves. This fact is a serious obstacle to the *furcraea* being worked at a profit. It is plainly imperative that the milling plant should be erected close to where the leaves are growing. Such plant, too, must be portable and so allow of it being moved about from one plantation to another. Messrs. Deason Brothers shipped home a ton or so of aloe fibre during the year under review which realized £29 a ton in the London market. The industry, however, has not yet been taken up seriously by the firm named.

Lace-making.—A start was made during the year towards establishing the lace-making industry in St. Helena. An Association was formed under the presidency of the Bishop of the Diocese with a Committee of ladies to assist his Lordship in the management of the Association. Two gentlemen were appointed honorary treasurers, and are responsible to the president in all matters of finance. Mrs. Ord Marshall, the honorary secretary of the League of Empire, kindly interested herself in the venture, and with the St. Helena Committee in London was in a great measure instrumental in obtaining through the Right Honourable the Secretary of State for the Colonies a grant from the Imperial Treasury of £170 to cover the expenses of an expert for six months. The Treasury also loaned the Association the sum of £300 to cover working

expenses during the initial stages of the industry. The Association was fortunate in securing the services of Miss Penderel Moody as expert manageress for a period of seven months—August, 1907, to March, 1908. A most encouraging start has been made in the industry, which in addition to lace-making includes fine needlework. A considerable number of women and girls are employed, all of whom are most interested in their work. The employment of these women workers at a small wage has done not a little to relieve the depression among the poorer classes, especially in Jamestown, where the majority of the workers live. As regards the Treasury loan of £300, the idea is that it shall be repaid by small instalments from time to time as the Right Honourable the Secretary of State for the Colonies shall direct. It was hoped that the fibre produced from young phormium leaves would prove suitable for spinning and weaving purposes, and so be used in the industry as a distinctly St. Helenian characteristic. All kinds of devices for cleaning the fibre were employed, but in no case were results really satisfactory. One or two experiments produced a suitable thread for spinning, but the labour and time involved was too costly to make the thread of any practical use. I referred the matter to Professor Dunstan for his advice, and he informed me that until considerable improvements are effected in the preparation of phormium fibre the material will not be suitable for lace-making.

Phosphates.—Great disappointment was caused during the year over the phosphate deposits (which had been pronounced by a manganese expert to be valuable) being pronounced as not worth working. Messrs. James Morrison and Company sent out an expert, who, after thoroughly going into the matter, reported unfavourably on the deposits. I am informed that the expert, Mr. Cannon, made no less than 400 different analyses of the deposits from the different localities. This fact should be sufficient to convince the most sceptical that the phosphates in question are not of sufficient commercial value to export. I still, however, cling to the belief that some day money will be made out of the discarded product.

(D.) SHIPPING.

The shipping returns for the year under review are very melancholy reading. Shipping is diminishing in ever increasing quantities. Only 57 ships called (that is, were boarded by the harbour master) during the year, being 29 less than in 1906. Thirty-nine of the ships were British. Among the ships were four British ships-of-war, including H.M.S. "Crescent" flying the flag of Vice-Admiral Sir John Durnford, K.C.B., D.S.O., who was on his way to England after handing over command of the South African Squadron to Vice-Admiral Sir Edmund Poë, K.C.V.O. The following table, covering the five years during which I have administered this Government,

shows that by degrees St. Helena is becoming of less importance to merchant shipping as time goes on:—

Year.	Number of ships that called.	Tonnage.
1903 ...	125	250,226
1904 ...	107	254,069
1905 ...	99	242,141
1906 ...	86	215,217
1907 ...	57	149,182

Coupled with the general decrease in shipping, the continual decrease in the arrivals of British sailing vessels is very marked. The falling off by 33 per cent. of vessels calling in 1907, as compared with 1906, is particularly noticeable as the price of provisions, meat, and vegetables particularly, was very low during the year under review. Further, the price of water to the shipping was reduced during the year from 5s. to 2s. a ton. This reduction was carried out in the hope that more sailing vessels would call in for water, a hope that so far has not been realized. Even the few vessels that did call required very little in the way of stores, provisions, and water. The only good customers are warships and whalers. There is a probability of American whaling vessels calling at St. Helena more frequently than in the past few years. Whaling crews can always be readily replenished at the Island, as the St. Helenian is a good seaman. The falling off in calling ships has done more than anything else to deprive St. Helena of the little prosperity she formerly possessed. The withdrawal of the garrison of 150 men was as nothing in its evil effects compared to the decline in shipping. The people of Jamestown, particularly, are suffering from the changed times. They cannot compete with their country brethren in the way of obtaining agricultural labour. The fact is that the majority of town men do not give satisfaction as labourers. They cannot stand the country rains for one thing, and prefer the warmer climate of Jamestown to the temperate climate of the highlands. The Jamestown folk are a shipping community without any shipping, and when placed on agricultural or road work are somewhat like fish out of water. I am inclined to think that as the phormium industry develops the time is not far distant when the Government may find it necessary to move families from the Jamestown and Half-tree-Hollow districts and settle them in the country. Jamestown as a shipping port is practically played out. This fact is due not only to the Cape route having been abandoned for the Suez Canal route, but also on account of the substitution of steam for sailing vessels.

I would add that the arrangement for supplying pure spring water to the shipping direct to the water boats, in place of the old style of supply from the reserve tanks on the wharf, has answered well, and no inconvenience has been experienced as was anticipated.

III.—LEGISLATION.

Seven Ordinances were enacted during the year under review—the most important being:—

No. 1.—“The Liquor Licence Ordinance,” further amending the law in force with reference to licences for the sale of intoxicating liquors. This Ordinance did away with a grocer’s licence which had been introduced under Ordinance No. 7 of 1906.

No. 4.—“The Juvenile Smoking Prevention Ordinance.” Although there were only two prosecutions under this Ordinance during the six months it was in force, the Inspector of Police reports that juvenile smoking in St. Helena has been most effectually stopped. The fact is, boys are practically unable to purchase cigarettes and tobacco as the shopkeepers are very particular in strictly complying with the law governing the sale of smoking materials.

No. 6.—“The Customs Amending Ordinance,” to reduce the Tariff of charges for water to the shipping. Under this Ordinance the charge for delivering pure spring water into water boats for the supply of His Majesty’s ships and other vessels is 2s. per ton. Formerly the charge was 2s. 6d. per ton for His Majesty’s ships and 5s. per ton for all other vessels. The reduction was made in the hope that more sailing ships might be induced to call in for water. That hope was not realized during the year under review.

No. 7.—“The Tax Amendment Ordinance,” to repeal the tax on water boats, baggage boats, and passage boats, and substitute a reduced tax on those boats. This Ordinance came into force on the 1st January, 1908. So very few ships call at St. Helena now-a-days that owners of the class of boats referred to have little opportunity of doing business therewith.

Two Proclamations were issued during the year under review, both dealing with the Game season.

IV.—EDUCATION.

During the year under review there were nine elementary schools in various parts of the Island, being an increase of one, as compared with the previous year. The schools contained an aggregate of 634 scholars, namely, 326 boys and 308 girls, an increase of 11 over 1906. Of the total number given, 269 scholars attended the three Government schools. The new school, known as Blue Hill School, was opened in January of the year under review and is situated in the Western district of the Island. The school is doing good work, and is the first school in the Island to institute the modern system of teaching from the commencement. The teacher received his training in the Government schools, and had the advantage of working as assistant teacher for two years under Mr. Tucker. The Inspector of Schools, the Reverend Canon Porter, reports that the work of the schools generally, as shown at the examinations, exhibited manifest improvement, there being less stereotyped work and less cram than formerly. The substitution of purely oral work in place of text books in the Government schools has borne good fruit. The inspector reports particularly favourably on the Government Senior School. This school stands well ahead of all others. Canon Porter states: "The school, after a full year's uninterrupted work, has probably reached the highest pitch of development as an elementary school"—and again: "St. Helena has at last what may be called a model elementary school fed from the Government Junior School, which occupies another building."

Owing to the want of funds the Colonial Government cannot attempt to go beyond elementary education excepting to the extent of the Pupil Teachers' classes under Mr. Tucker. The great object therefore is to improve the methods and facilities of elementary teaching as much as possible. With this end in view I was anxious to introduce a scheme, drawn up by Mr. Tucker, tending to a complete assimilation of methods in at least all the Jamestown schools, with the Government Senior School as a Higher Elementary School and Pupil Teachers' Centre. Unfortunately those persons responsible for the management of the non-Government schools (which are practically Church schools) were not prepared to co-operate in the scheme, and so my idea fell to the ground. This Government's efforts to further improve educational methods must, I fear, be confined to Government schools. There can be no substantial improvement in the non-Government schools until they have some one to supervise them who has a trained knowledge of modern method. Want of funds prevents certificated teachers from being engaged, but this is no reason why an effort should not be made by the management of the schools concerned to improve upon the system of teaching as at present existing in the majority of those schools.

To return to the Government schools, and more especially to the Government Senior School. The progress made in the year under review was most marked. Definite for indefinite instruction has resulted. The curriculum has been enlarged, thus developing the intelligence, observation, and reasoning powers of the children. With this end in view, elementary science, object and nature study lessons have been introduced in the Senior School. English literature, with Shakespeare as a special subject, has been utilized in assisting the children to acquire a facility in literary composition. That this has been successfully accomplished, particularly when the parlous state of education in the past is taken into account, is proved by the work done in competition for Lord Meath's Challenge Cup and the League of Empire Prize for the best essay *inter* all Primary Schools of the Empire. The subject for 1907 was "The History of British India." Eva Fagan of the Senior School was successful in winning the prize and trophy. The child's achievement was really a notable one, bringing great credit both on herself, her teachers, and the school to which she belongs. In this connection much disappointment has been caused in the Senior School by the fact that the Prize Essay subject for 1908 is of such a nature that it would be almost impossible for St. Helena children to compete with any chance of success, for in the present unsatisfactory state of the Island's affairs no one could with any degree of satisfaction pen any inducements to a would-be emigrant to settle in St. Helena, as the subject of the essay demands.

An important branch of the work done in the Government schools is the training in physical exercises in and out of school, and in organized games. A very successful Schools Cricket League, in which all schools take part, has been in operation during the past two years. Hygiene is taught in the Government schools with excellent results.

Good progress was made by the Government pupil teachers in their course of instruction under Mr. Tucker. The greater majority of the students show marked interest in their studies, and there is generally speaking a better tone observable. Hardly any advantage is taken of these classes by the non-Government pupil teachers. The Government school teachers are compelled to attend. The discipline observed in the other schools does not, I fear, come up to this standard, and the teachers are allowed to please themselves in the matter.

With a few exceptions compulsory attendance at school is no longer looked upon as a hardship, but is welcomed alike by parents and children. On the other hand very few children remain at school after the age of fourteen—their parents requiring them for work at home. A very large number of the parents are uneducated and therefore are not able to realize the advantages gained by keeping their children at school a year or two longer, especially when the child is making good progress.

Among the retrenchments of the year was the abolition of the post of Attendance Officer. This fact made it difficult to closely supervise the regular attendance of children at the several schools. There were 25 prosecutions under the Education Ordinance during the year for non-attendance, and 19 of the defendants were convicted. There were many more cases which should have, under ordinary circumstances, come into Court, but the Board of Education found it necessary to be very lenient in the matter. The prevailing distress seriously affected the attendance of many children, especially in those schools situated in the Jamestown and Half-Tree-Hollow districts. So many parents were unable to provide breakfast for their children. These children either stayed away from school, or, if they attended, were not able to give any real attention to their work. This disability was most marked during the greater part of the year under review. Things are improving though.

The nucleus of a Teachers' and Senior Scholars' Library was formed during the year under review. At present the library contains 400 volumes, thanks to the generosity of the Victoria League, the Kyrle Society, and the Gilchrist Trust. The kind thought which prompted these bodies to lend St. Helena a helping hand in her days of trial is much appreciated by the community generally. The books are made good use of by the children and by the teachers who are under training, and will be, as time goes on, an important educational factor.

Among the economies effected on the 1st January, 1907, was the abolition of the salary of the Inspector of Schools. The Reverend Canon Porter, however, very generously offered to continue in office without salary. The thanks of this Government are due to Canon Porter for his consideration.

The expenditure under education for the year under review amounted to £623, as compared with £710 in 1906. Included in the expenditure were grants of £30 and £25 respectively to the Benevolent Society and Hussey Charity schools.

V.—GOVERNMENT INSTITUTIONS.

(A.) HOSPITALS.

There is one hospital in the Colony which belongs to the Colonial Government, being situated in Jamestown.

The admissions to hospital during the year amounted to 114, as compared with 104 in the previous year. The daily average of patients in hospital was 8·2.

There were four deaths among the patients, giving a death-rate of 3·5 per cent., as compared with three deaths and a mortality of 2·8 per cent. in 1906. Two out of the four deaths were due to accidents, one case being moribund on admission. Both were cases of fracture of the base of the skull. Twelve cases of enteric fever were admitted to the Hospital during the period under review, of which one proved fatal. In the previous year there were three cases of enteric and no deaths. The one death in 1907 from the disease named was that of a boy who was not brought to the hospital until the disease was well advanced and hemorrhage from the bowel had already appeared. There were two admissions during the year for tubercle, as compared with nine in the previous year. In both cases the disease had been of some standing.

The Colonial Surgeon reports that the efficiency of the nursing staff continues to be maintained at a high level. Nurse Marriott completed her three years' engagement under the Government in August of the year under review and was succeeded by Nurse Moloney.

(B.) SAVINGS BANK.

At the close of the year under review there were the names of 138 depositors in the Bank's books, being an increase of 19 during the year. This increase was chiefly accounted for by the relatives of several of the Port Nolloth men depositing small sums in the Bank. Several accounts were closed during the same period, a few of which were those of the oldest depositors on the Bank's books. Want of employment and hard times generally were the reasons assigned for the closing of the accounts in question.

In my last report under this head I gave it as the Manager's opinion that 1906 was the worst year for employment he had known in St. Helena in an experience covering over fifty years. The early months of 1907 were even worse in this respect, but during the last quarter of the year there was a marked improvement.

The following figures show the year's transactions, as compared with 1906:—

—	1907.	1906.
	£ s. d.	£ s. d.
Deposits	1,443 16 0	3,386 1 0
Withdrawals	3,553 10 7	8,965 19 4
Interest paid on deposits	594 0 4	684 15 3

The total amount deposited during the year under review was less than in any one year for the last twenty-one years and more.

On the 31st December, 1907, the Bank's reserve amounted to £19,646 8s. 8d., being a decrease of £1,515 14s. 3d., as compared with the same date a year previous. The reserve above quoted is larger than in any year preceding 1900.

The revenue of the Bank for the year was £746 0s. 5d., or £236 17s. 10d. less than in 1906. The expenditure for the same period was £552 12s. 11d., being £81 7s. 5d. less than in the previous year. The profit on the year's transactions works out at £193 7s. 6d., as compared with £348 17s. 11d. in 1906.

VI.—JUDICIAL STATISTICS.

(A.) CRIMINAL STATISTICS.

Supreme Court.—There was one case only during the year under review: a misdemeanour under the Criminal Law Amendment Act, resulting in an acquittal.

Police Court.—Crime continues to decrease. Only 106 cases came before the Court during the year, being 12 less than in 1906, as shown in the following table:—

Cases.	1907.	1906.
1. Assaults and other offences against the person ...	13	13
2. Malicious injury to property	—	—
3. Offences against property other than malicious ...	15	2
4. Offences against highways and other acts relating to the social economy of the Colony.	36	53
5. Soliciting, drunkenness, &c.	42	50
Totals	106	118

None of the cases were of a serious nature. Three were cases of desertion from American whalers, and one came under the Juvenile Smoking Prevention Ordinance. Of the 36 cases under sub-head 4 of the above table no less than 25 were prosecutions under the Education Ordinance, in 19 of which convictions were obtained. One man was convicted for concealing in his house a deserter from a whaler. The Police Magistrate reports that drunkenness continues to decrease, and that even offences connected with the use of bad language are few and far between. I consider that the total absence of serious crime among a population of nearly 4,000 people

during a year of unusual depression is most creditable to the islanders. The patient manner in which the poorer classes accepted their lot was nothing short of remarkable.

(B.) PRISONS.

The number of prisoners received into the gaol during the year was 45, being 10 more than in the previous year. As, however, nearly all of the offences committed were of a trivial nature, the duration of the sentences was considerably shorter than in 1906. The daily average number in gaol was 1.16, as compared with 2.65 in the previous year. The daily average recorded is 100 per cent. less than in any year since I assumed office in the Colony. The gaol was empty during 116 days of the period under review. There was no sickness among the prisoners and the sanitary conditions of the gaol continue to be satisfactory.

	Male.	Female.	Total.
Number of prisoners in gaol on 31st Dec., 1906	3	1	4
" " " admitted, 1907	32	13	45
" " " discharged, 1907	35	14	49
" " " in gaol on 31st Dec., 1907	—	—	—

The cost of the gaol for the year was £122 10s. 6d., being a decrease of £40 5s. 6d. on the figures for 1906.

Twenty-five Zulu rebels were transported to the Colony from Natal in June of the year under review. They are confined in a portion of the Ladder Hill Barracks under a guard of two Natal and three local warders. Their diet, including a tobacco allowance, is a very liberal one; and since they arrived in the Colony only one trivial complaint was made by them, which was immediately remedied. The behaviour of the prisoners has been excellent.

(C.) POLICE FORCE.

The efficiency of this small force was maintained during the year. 193 cases were noticed by or reported to the police during the year—being 37 less than in 1906. Eighty-seven trivial complaints, in which action in the Courts was unnecessary, were investigated and disposed of by the police.

VII.—VITAL STATISTICS.

(A.) POPULATION.

The civil population on the 31st December, 1907, was estimated at 3,485, as compared with 3,526 in the previous year. In addition to the number given were 2 Natal warders and 25 Zulu prisoners, also the crew of H.M.S. "Pelorus," then in port, numbering 234—making a total on the date named of 3,746. The decrease in the civil population of 41 was chiefly accounted for by the emigration of 183 persons including 100 men who proceeded to the Namaqualand mines and 15 men shipped in whaling vessels. The number of immigrants for the same period amounted to 45, not including the warders and Zulu prisoners referred to above. The figures in 1906 were 97 and 38 respectively.

The births numbered 134 (including 4 still-born and 32 illegitimate), as against 118 (3 still-born and 37 illegitimate) in the previous year.

There were only 36 deaths (including 3 seamen), as against 46 (including 3 seamen and 1 soldier) in 1906. The death-rate among the civil population amounted to 9·4 per thousand, or under 1 per cent., as compared with 11·9 per thousand in the previous year. Out of the 33 deaths among the civil population 9 were under the age of twelve months and 15 over the age of 70 years. Consequently the death-rate among persons between the ages of 1 year and 70 years works out at the abnormally low figure of 0·25 per cent.

The marriages numbered 17, being an increase of 6 over the previous year.

(B.) PUBLIC HEALTH.

The general health of the population was maintained at a standard above the average. The death-rate of 9·4 per thousand given above is the lowest yet recorded for St. Helena.

The Colonial Surgeon in his annual report refers to the incidence of sickness within the limits of Jamestown, in the case of two diseases, as presenting features worthy of interest. The report runs:—

"I refer to minor epidemics of enteric fever and diphtheria respectively. With regard to the first, there were in all twelve cases. Six of these occurred in two adjoining houses, and they appeared some short time after a marked dampness had been noticed in two cellars, used as living rooms. This dampness to a great extent cleared away after a leak in a surface drain which ran past the house, but on the opposite side of the roadway, had been repaired. That the soil was infected, and thus in some way conveyed the disease is merely conjecture, and

could only have been confirmed by elaborate bacteriological processes at present beyond the Colony's resources. The remaining cases of enteric fever were not connected with these two houses nor with each other, and no explanation of them was to be found.

"The first case of diphtheria made its appearance in the month of January, and further cases occurred in the months of February, May, June, August, and December, making a total of sixteen cases. There was one death, that of a child aged three years, representing a mortality of 6·2 per cent. At the time of the first appearance of diphtheria there were cases of sore throat amongst the school children, and some of these may have been mild attacks of the graver disease, but antitoxin was only administered in cases where clinical signs left little room for doubt. With the exception of two cases of diphtheria in 1905 it is fifteen years since the disease is recorded as prevalent in the Island.

"It is worthy of note that the two diseases whose prevalence a good system of drainage is expected to reduce should so soon after the completion of the Jamestown Sewerage Scheme have shown an unusual activity. The good health of the Island, therefore, cannot very well be attributed to the effect of draining Jamestown. Were one to speculate upon the causes of the reduction in the sickness and mortality, probably that one nearest to the truth would be found in the enforced moderation in diet arising out of the economic conditions which existed in 1907. On the other hand I regret to record that two deaths amongst children under one year of age were practically due to starvation. In each case the father of the family had been out of work for many months and had evidently not realised till too late the state to which the infant had been reduced. An earlier application to charitable neighbours or to the parish would no doubt have resulted in the saving of two lives."

I am inclined to think that in the case of one of the two children referred to above by Dr. Arnold, the apathy of the parents was to a great extent responsible for the death of the child. There is no doubt, however, as the Colonial Surgeon points out, that although a certain number of the islanders have acquired too readily the art of begging, the majority are prevented by a certain sense of pride or independence from revealing their domestic circumstances.

Dr. Arnold is a strenuous advocate of open air treatment for tubercle diseases. He has done a vast amount of good by instilling into the minds of the cottagers the imperative necessity of allowing plenty of fresh air into their houses by day and night. An islander until quite recently seldom put a window into the weather side of his cottage. Dr. Arnold's report on the marked decrease in tubercle cases is interesting. He states:—

“No fresh cases of tubercle of the lungs came to my notice during the year. This is a gratifying and somewhat remarkable fact as formerly “consumption” claimed far too many victims, more deaths amongst the population being due to that than to any other disease, and last year there was but a single death from tubercle. Only two cases were admitted to hospital, both having had the disease for some time, and I had knowledge of no more than five or six old cases amongst the outside community. Were every house in St. Helena freely open day and night to the pure breath of the South East trade wind, phthisis as a disease should ere long cease to exist on the Island. It is difficult to persuade people that it is of equal importance that windows should be open at night as well as by day. During the past five years the gospel of the open window has been preached in season and out of season, and there is evidence to show that it has been not altogether uttered to unheeding ears, and the old dread of an open window is being gradually overcome. In most of the houses ventilation was unthought of when they were first designed, and ideal conditions for the entry of air into dwellings are scarcely obtainable. Here and there old pernicious habits will be retained in spite of a spreading enlightenment, and we may therefore expect cases of phthisis to continue to appear on the lists of sickness and mortality in St. Helena. If, however, the present very striking diminution in its prevalence be maintained, there is good ground for congratulation.”

The Colony still remains with only one medical practitioner. Fortunately for the community generally, Dr. Arnold has not yet been laid up for a single day.

(C.) SANITARY.

There was nothing of importance to record during the year in connection with sanitary matters. There was only one prosecution for contravention of the Public Health Ordinance. With the exception of coming under suspicion in the matter of the outbreaks of diphtheria and enteric fever, the Jamestown sanitary system worked satisfactorily. The sewer ventilators, which were in a few instances too low, and in harmful proximity to neighbouring windows, were raised to a safer height where necessary. 112 vaccinations were performed, 96·3 per cent. being successful.

The Colonial Surgeon expresses the opinion, in which I fully concur, that the Public Health Ordinance of 1889 requires to be either recast or amended so as to enlarge its scope and embrace many sanitary concerns which it does not touch upon. The application of the Ordinance referred to is confined to Jamestown and the Briars, the remainder of the Island being left without the blessings of sanitary law. On the other hand sanitary laws are useless unless they can be rigidly enforced. To do this means efficient supervision. The finances of the Colony, however, are not able to stand the cost of such

supervision at present. As regards Jamestown and the Briars, sanitary supervision is exercised by the Inspector of Police in a very satisfactory manner, the salary attached to the post of Sanitary Inspector being £6 per annum.

(D.) CLIMATE.

Hutt's Gate.

The mean pressure for the year was 28·147 inches, being exactly the same as for the previous year. I take it that a barometer is practically useless in the tropics.

Temperature.—The mean temperature was 60·9°, against 60·3° for the year 1906. The maximum temperature, 76·0°, was recorded on the 19th and 20th March; the maximum for the previous year was 75·0° on the 20th March and 25th April. The lowest maximum, 65·0°, was registered on the 21st November; the lowest for 1906 being 64·6° on the 12th July.

The absolute minimum was recorded on 27th August—49·9°—compared with 48·5° on 15th September, 1906.

Rainfall.—The total rainfall for 1907 was 44·045 inches, being a decrease of 5·725 inches on the previous year (49·770 having been the total in 1906). The maximum fall was 1·1 inches on 4th August; 1·910 being the maximum in 1906. The number of days on which rain fell was 277, corresponding exactly with the number of the previous year. April was an exceedingly wet month, it having rained every day of the month; the total fall for that month was 8·2 inches, the third heaviest monthly fall recorded since the establishment of the Meteorological Station at Hutt's Gate in 1892. August, strange to report, was about the mildest month of the year. Rain fell only on seventeen days. This remark applies also to “wind” as will be seen from figures under that head.

Wind.—The anemograph worked continuously without a break during the year.

The mean force was 2·4, which is equivalent to 14 miles—being the same rate as in the four previous years. July and August were very calm months, which is quite unusual. August is one of the most windy months of the year—four days of calm were recorded in the same month, which is indeed a very rare occurrence.

The direction for the year under report was:—

Direction.	Days.
S.S.E.	218
S.E.	89
E.S.E.	24
E.N.E.	1
W.S.W.	1
N.N.W.	1
S.	20
Calm	11

*Jamestown.**Temperature.*

	1906.	1907.
Mean	72·7°	72·8°
Maximum	80·0°	81·0°
	on 14th February and 2nd March.	on 15 March.
Minimum	66·0°	65·0°
	on 4th July and 11th August.	on 14th September.

Rainfall.

	1906.	1907.
Total for year	9·53 ins.	11·50 ins.
No. of rainy days.	112	107
Maximum fall	0·430 ins. on 31st March.	0·710 ins. on 10th April.

April was the wettest month with 3·87 inches and 24 days of rain.

Oak Bank.

Rainfall.—50·06 inches on 237 days of rain. The figures for the previous year were 48·5 inches on 228 days. On seven days during the year under review over an inch of rain was recorded, five days of which were in April.

St. Paul's Vicarage.

Rainfall.—39·91 inches on 181 days of rain as against 33·92 inches on 212 days in 1906. Although St. Paul's Vicarage is situated at the same height above the sea as is Oak Bank (1,800 feet), and lies only 1,500 yards (as the crow flies) to the North of Oak Bank, the rainfall recorded at the latter place exceeded that recorded at the Vicarage by over 10 inches. The difference in 1906 was even greater, namely: 14½ inches.

VIII.—POSTAL, TELEGRAPH, AND TELEPHONE SERVICES.

(A.) POSTAL.

The total revenue from all sources was £558 15s. 10d., a decrease of £71 3s. 1d., as compared with the previous year. This decrease was almost entirely due to the withdrawal of the garrison, but the raising of the unit of weight during the latter part of the year under review of letters from ½ ounce to 1 ounce to the United Kingdom and British Colonies necessarily caused a decrease in revenue. I do not, however, fancy that the increase of weight from ½ ounce to 1 ounce for 2½d. on letters to foreign countries was felt to any appreciable extent.

The expenditure for the year was £328 2s. 9d., or £34 0s. 9d. less than in 1906, chiefly due to the reductions of salaries of the Post Office staff.

The following tables give all details of postal matters dealt with during the years 1906 and 1907:—

From the United Kingdom.

	1907.	1906.
No. of mails from England	14	15
" " bags mail from England and Ascension	182	240
" " boxes parcel post	188	194
" " parcels	1,791	1,771
" " registered articles... ..	408	365
" " insured letters	2	1

To the United Kingdom.

	1907.	1906.
No. of mails to England	18	17
" " bags mail to England (and Ascension)...	80	71
" " letters (ordinary)... ..	12,864	20,732
" " postcards	6,338	10,886
" " other articles	2,246	2,552
" " parcels	229	260
" " registered articles... ..	1,311	1,401
" " insured letters	nil	nil

From South Africa.

	1907.	1906.
No. of mails from Cape Colony and Natal ...	13	14
" " bags mail	57	58
" " parcels	530	208
" " registered articles... ..	441	317
" " insured letters	nil	nil

To South Africa.

	1907.	1906.
No. of mails to Cape Colony and Natal ...	15	15
" " bags mail	73	41
" " letters (ordinary)	13,239	10,282
" " postcards	2,136	775
" " other articles	2,180	1,716
" " parcels	358	142
" " registered articles	182	204
" " insured letters	nil	nil

It will be noticed that there is a large decrease as compared with 1906 in the letters and post cards despatched to the United Kingdom, due to the withdrawal of the garrison and continued falling off in calling ships. There was, however, an increase in the mail matter despatched to South Africa, due chiefly to the emigration of a large number of men to the Namaqualand mines. The increase in parcels sent from South Africa is due to the men referred to sending quantities of wearing apparel to their relatives in St. Helena.

Money and Postal Order transactions during the last two years were:—

	1907.	1906.
	£	£
To United Kingdom ...	3,809	4,954
To South Africa ...	366	545
From United Kingdom ...	921	678
From South Africa ...	796	678
Totals ...	£ 5,892	6,855

Commissions on above amounted to £41 8s. 9½d., being £3 4s. 0½d. less than in the previous year.

Owing to there being no longer an Imperial Treasury chest in the Colony the Post Office has at times to remit specie to the General Post Office in London. To cover the expense incurred on freight on such shipments an increased commission was imposed towards the end of the year upon all Money Orders. Postal Orders were not included in this increase.

I would mention that a very convenient arrangement in the accounts connected with Money Orders to and from South Africa was arrived at by including all such transactions in the London returns.

A mail was despatched to the Island of Tristan da Cunha by the American whaler "Sunbeam" in September of the year. It is not yet known whether that vessel reached the Island named or not.

Special statistics of all postal matter were taken during November of the new year under review for the purpose of calculating future transit charges in connection with the Postal Union. The information obtained showed a decrease in St. Helena mail matter, and it is to be hoped the Colony's share in transit charges will accordingly be reduced.

(B.) TELEGRAPHS AND TELEPHONES.

Telegraphs.—The Eastern Telegraph Company now work with a staff of 30 employees, being 13 less than in 1906.

Telephones.—Owing to the parlous state of the Colony's finances it was found necessary at the end of January of the year under review to abolish even the limited and inexpensive telephone system maintained by the Colonial Government since the 1st November, 1906. What the abolition of the system meant to a large part of the community, and especially to the Government, can only be understood by persons who have lived in St. Helena and who have experienced the difficulty of communication in a place possessing the Island's peculiar topographical features. The absence of telephonic communication would be especially a serious inconvenience in the common event of the doctor's services being urgently required. It is imperative, too, that the Colonial Surgeon should be able to communicate at once with the hospital when necessary. It must be remembered that St. Helena possesses only one doctor. It goes without saying that it was necessary to establish a system that would at least meet the contingencies above referred to and at the same time allow the trading houses in Jamestown to be in touch with the country, and further to establish communication between Government House and the Castle in Jamestown. The difficulty was met by a few Government officials and residents, including the Eastern Telegraph Company's mess, deciding to maintain a limited system. The War Office very kindly came to the assistance of the persons concerned by handing over to them free of charge all stores other than certain instruments, which were loaned. The action of the War Office was greatly appreciated, and enabled the new system to be run most successfully during the year under review. Two public stations are maintained, one in Jamestown and one in the country. The operators in these stations receive a starvation wage, but are housed rent free, which is a consideration in these hard times.

(C.) SIGNAL STATIONS.

Since the troops were withdrawn from the Colony in October, 1906, only one signal station, that at Ladder Hill, has been maintained. The salary (£66) of the signaller is paid by Lloyd's.

IX.—GENERAL OBSERVATIONS.

(A.) ROADS.

The finances of the Colony would not allow of any expenditure being incurred on the country roads during the year under review. The Imperial Treasury, however, came to the Colony's assistance by granting a sum of £300 early in the year for "relief works." This amount was almost entirely spent in putting the most important rural roads into fair order. Had

the grant not been forthcoming the state of the roads to-day would have been such as to seriously handicap phormium growers from delivering leaves at the mill. The rains in March and April were unusually severe. It is during the heavy summer rains from February to April that the greatest damage is caused to the roads. The steep gradients of nearly all the roads, making it necessary for wheeled transport to use shoes, thus cutting up the surface unduly, accounts for the abnormal damage caused by heavy rain. The Treasury grant not only saved the roads but was the means of furnishing employment to a large number of men at a time when the depression among the poorer classes was at its worst. The only road in the Island that it has been possible to keep in regular repair is that from Red Hill to Jamestown. This road is in excellent order.

Fifty-nine pounds was expended during the year in repairs to the streets of, and approaches to, Jamestown.

(B.) LAND GRANTS AND GENERAL VALUE OF LAND.

The Commissioners of Crown Property approved of two transfers of properties in the General Register during the year under review. During the same period there were five grants of land, amounting to a total of 6 acres. All of these grants were under special conditions with a view of encouraging flax cultivation by cottagers. Free rent was granted up to 31st March, 1911, after which date rent at the rate of 5s. an acre per year will be charged.

The value of land continued to fall. To give a few instances: a property belonging to the Widows' and Orphans' Fund which up to 1906 rented for £30 a year now brings in £22 annually. The leases of two Colonial Government properties (grass lands) expired during the year, and the highest tenders resulted in a total annual rental of £78, being a fall of £32 on the former rents.

The rents for the year amounted to £799 3s. 10d., as against £858 6s. 8d. in 1906. Rents throughout the Colony are falling in keeping with the fall in the value of land. This fall may, however, soon be converted into a rise should the prospects of the flax industry continue to be favourable.

(C.) RATE OF WAGES AND COST OF LIVING.

The rate of wages fell generally in keeping with the depression existing in all circles. During the early months of the year the state of the labour market reached an acute stage and caused great anxiety. The departure of 100 men to the Port Nolloth mines in May greatly relieved the situation. Ninety-eight of these men allotted their families in St. Helena from 20s. to 30s. a month out of their wages, which allotments are paid locally on the first of each month. By this means about 500 women and children receive a small livelihood. These allotments must amount to at least £120 a month

The cost of living was certainly much lower than for many years past. This especially applied to meat, potatoes, and green vegetables. The price of rice, however, which with fish is the chief diet of the poorer classes, rose towards the end of the year to 2d. a pound—an increase of about 20 per cent. compared to the price early in the year. This rise is naturally felt by the community concerned. As I stated in my last report, the people who suffer most in these hard times are those in the Jamestown and Half-Tree-Hollow districts. The 100 men who proceeded to Port Nolloth were chiefly drawn from those two districts. The exodus of these men was a veritable godsend to the Colony, and proved a regular safety-valve at a critical period.

(D.) DEPARTMENTS AND INSTITUTIONS.

Of departments not already dealt with the Public Works Department is the only one requiring passing notice in this report. The expenditure of this Department for the year was £1,233, being £672 less than in the previous year. Rigid economy was exercised under every sub-head. On the 1st January, 1907, the wages of all Government employes were reduced by from 33 to 20 per cent. Several men who had been in regular Government employment had to be discharged. The spirit in which the reduction of wages was accepted was most praiseworthy. The men concerned were consoled to some extent in the knowledge that all Government permanent officials, including the Governor, had suffered in like manner, thus showing that the reductions made were of imperative necessity. The general feeling existing among Government employes is that prosperity may yet return to St. Helena and that the low wage now earned will prove to be but a temporary inconvenience. The expenditure provided for in the annual estimate would not allow of anything more than ordinary repairs being attended to. No special works could be undertaken. As usual, the flushing dam at the head of Jamestown suffered considerable damage from the heavy summer rains. These defects had to be at once attended to. Some much-needed repairs were effected to the sea wall in Jamestown, the cost thereof being met out of the £300 Treasury grant referred to under "Roads" above. The masons employed in the work were paid 2s. a day or 50 per cent. lower than the usual wage earned by that class. During the year under review the water system cost £199 to maintain, being £44 less than in the previous year. The following were the figures under the most important sub-heads for 1907, as compared with 1906:

	1907.	1906.
	£	£
Buildings	394	610
Scavenging, Jamestown ...	111	191
Forests	139	239
Telephones	15	80

It will, therefore, be seen that not a little was done in the year under review to exploit the resources of the Colony in every possible direction.

The St. Helena Committee in London continued their good work in St. Helena's cause.

References I made in my report on the Colony for 1906 in connection with honours conferred upon Colonial Government officials during that year were inadvertently omitted when the report was printed, so I take this opportunity of again recording the honours won by Mr. J. Homagee and Coxswain R. Francis.

His Majesty the King was graciously pleased to create Mr. Homagee a Companion of the Imperial Service Order in 1906. Mr. Homagee joined the St. Helena Government service in 1859 and has served continuously since that year. He holds several posts under the Colonial Government, namely: Collector of Customs, Police Magistrate and Small Debts Court Judge, Crown Prosecutor and Clerk of the Peace, and Manager of the Savings Bank.

Robert Francis, Coxswain of the Harbour Boat, was awarded the Imperial Service Medal on his retirement on pension at the end of 1906 after forty-six years' good and faithful service. Besides being a man of exemplary character, Francis possesses personal courage of a high order. During his service he rescued many fishermen who had been carried out to sea during rough weather. On one notable occasion he performed gallant service in navigating, during very heavy weather, a distressed vessel into port, the crew of which vessel had struck work.

During the year under review a gallant act was performed by Harbour Boatman H. O'Neil and Police Constable E. J. Fagan in rescuing an old woman who fell into the Run at the top of Jamestown, and who was carried by the rush of water out to sea. The Royal Humane Society has lately awarded both men certificates on vellum in recognition of their brave conduct.

Mr. E. H. M. Drury, Chief Clerk in the Governor's Office, after four years' service under the Colonial Government, was transferred to the Bechuanaland Protectorate in January of the year under review. He was succeeded in office by Mr. A. Hands, 2nd Clerk; the latter office being abolished under the retrenchment scheme.

Now that St. Helena is no longer a port of call for shipping, excepting for a few stray vessels, the Island's future prosperity depends chiefly upon the development of the phormium industry. The success of such industry is greatly handicapped owing to the violent fluctuations that are constantly occurring in the price of fibre on the London market. The Colonial Government can never hope to make more than a very small profit over its mill so long as fibre remains under £30 a ton. Should the price go below, say, £20, it is doubtful whether any

profit could be made. The great object, however, is that the industry should benefit the community generally, and so long as this can be done, and the mill run at a bare profit, all will be well. It was never anticipated that the Colonial Government would make a "good thing" out of the industry. A fair price must be paid for leaves. Owing to the abnormal difficulties of transport in St. Helena it would not pay the majority of land owners to supply leaves at under, say, 20s. a ton. There are a few owners whose plantations are not very far from the mill, who could well supply at a lower rate, but their stock of leaves would soon become exhausted if they were called upon to contribute the mill's full requirements for a long period. It is to be hoped, however, that the price of fibre will not fall further in the near future and so allow of a good start being made in an industry which is capable of conferring great benefits on a stricken community. I am inclined to think that in four years' time there will be sufficient mature flax available to keep at least three mills running. On the other hand I consider it would be bad policy for any one to start a mill at the present time in competition with the Government mill unless he was sure there were sufficient leaves available for a second mill during the period required for the late plantings to mature. I do not anticipate that another mill is likely to be established yet awhile.

Provided that the price of fibre does not fall to any further great extent, and so allow the mill to continue running at a small profit, the withdrawal of the garrison will have contributed in no small degree to some prosperity returning to the Colony. It was the withdrawal of the small garrison that called attention to St. Helena's condition and which led to a practical effort being made to establish an industry in the Island. Thanks to the financial aid rendered by the Imperial Government, and the assistance afforded by the New Zealand Government, the phormium industry is now a going concern with most encouraging prospects. I contend more than ever that St. Helena is capable of progress provided landowners will act in unison, and not for their own interests alone, in doing all they can to co-operate with the Government in furthering the success of the new industry. Industries, however, cannot flourish unless accompanied by industry. Now, the average St. Helenian, more especially the town man, is not industrious in the proper sense of that term. His wants are small and the genial climate tends to make him take things easy and to live only for the present. A large number of the Islanders have in the past year learnt to know what it is to be "in want." They do not, however, know what it is to suffer from frost and cold. Fires in St. Helena are only required, except as a luxury, for cooking purposes. Consequently the poor in times of distress do not suffer in St. Helena to anything like the extent experienced by the poor in a climate like England, for instance. Further, every St. Helenian has a roof over his head, although

a very leaky one in many cases. These facts, in my opinion, account to a great extent for the non-industrious nature of the Islanders as a whole. Possibly the rising generation, being better educated, may prove more industrious than their forbears. Let us hope so at all events. The two attributes, industry and education, do not necessarily go together, but education fosters intelligence, and the more intelligent a community is the better able are its members to recognize the necessity of helping themselves rather than trusting too much to extraneous assistance.

The economic situation in St. Helena to-day shows a marked improvement on what it was a year ago. Things generally are much brighter. I would hazard the opinion that the Island has turned the corner. It depends, however, chiefly upon the Islanders themselves whether there is to be any going back or not.

In closing this report I wish to record my thanks to all my officials for the manner in which they have supported me in the administration of the Government during an unusually difficult period in the Colony's history.

H. L. GALLWEY,

Governor and
Commander-in-Chief.

The Castle,
St. Helena,
13th March, 1908.

