

Order, 1920, mentioned in subsection (2) of section 7 of the Samoan Amendment Act, 1926. They were, in substance, purchased by the New Zealand Government, the purchase-moneys going through the proper channel towards the provision of the war-reparation payments payable by Germany. The properties are, in fact, managed and carried on by a Board of Control. As a fact, the New Zealand Government has paid a proportion of the profits of carrying on these estates into the Samoan Treasury. The practice has been for New Zealand to pay a gratuity of £20,000 a year to the Samoan Treasury, of which sum latterly £12,000 has been provided out of the profits of the New Zealand Reparation Estates. The scheme designed by the Administrator had two main objects—namely, firstly, to educate and induce the Natives to produce a high-grade copra; and, secondly, to sell the copra so produced through the machinery of the New Zealand Reparation Estates, and so ensure a fair price to the Native producer for his product—advancing to him on delivery of copra at Apia of approved quality a sum approximately within £10 of the current London forward market price, and on delivery of copra elsewhere of a similar amount, less the cost of transport to Apia. Accordingly, brief instructions were published in the Samoan language in the official paper, called the *Savali*, as to the method of drying and preparing copra, and an Inspector was detailed to go from village to village to set the scheme working. Some five stations, including Apia, were appointed for receiving the copra, and approximately 100 tons of copra of approved quality were up to date dealt with under the scheme. The advances made to the Native producer ranged from £16 16s. per ton for copra delivered at Apia to £16 1s. 5d. per ton delivered at Fagamalo, in Savai'i. Colonel Hutchen in his evidence stated that information had been received from the New Zealand High Commissioner in London that the first shipment of Native copra was not sold until after arrival and after analysis was made as to its quality. The quality proved excellent, and the shipment was sold for £27 per ton, the best quotation for "Straits" copra—a high-grade copra—being £27 12s. 6d. It appears that once copra has arrived on the overseas market it is not possible to hold up for high prices to the same extent as could be done in the case of copra to arrive. This appears to be proved by the further advice received from the High Commissioner when a second shipment of Native copra was sold (to arrive) for £28 per ton, the equivalent quotation for "Straits" copra being £27 17s. 6d. The High Commissioner has recommended regular shipments. We think that the results have shown that the Samoans are quite capable of producing a high-grade copra which will command a good price in European markets. The value of the scheme, to our minds, lies in its providing an incentive to the Samoans to use care and attention in the preparation of copra for export, and the provision of a reward for the exercise of industry and attention, to which they are not very accustomed. We think that it may be hopefully anticipated that the adoption of the scheme will assist in inculcating habits of industry and care in the Samoans. As we have pointed out, the sale of copra is the only way by which they can provide themselves with ready cash, and the obtaining of a good price for copra will, therefore, be a very desirable thing for them.

The objections to the scheme proceed from traders, who are exporters of copra, and may be thus summarized, namely:—

- (1) That the scheme was an improper interference with private enterprise:
- (2) That the advances made by the Administration were too large, so that they must result in loss:
- (3) That if the Administration should undertake the marketing of copra extensively it must mean the elimination of the trader and the closing-up of trading stations throughout the Territory, involving the loss of the capital invested in trading stations.

We have arrived at the conclusion that the system adopted by the Administrator was a pure measure of policy, and does not come within the scope of our inquiry. Nothing in the Orders in Council appears to justify us in criticizing or in dictating the policy which the Administrator should adopt in exercising his powers of administration. It is to be observed that the marketing of the Native copra has been undertaken by the New Zealand Government through the agency of the New Zealand Reparation Estates, and any loss which may be incurred in carrying out