

bought at outlying stations and has to be freighted down by mules for some miles before he can get it to a shipping-point. That is owing to there being no anchorage at the buying-point.

Yes, but that is dealing with one particular matter. Is it correct to say that the first step in fixing the price would be to arrive at a standard value of the copra?—Taking the basis laid down in those returns we would figure what the copra would be worth to us in Apia—£16 per ton.

I want to know how the price is arrived at by the traders in the separate districts?—I do not know how it is arrived at. I can only tell you from hearsay.

I want to know how it is arrived at by the traders: Could you tell us that from your own knowledge? Let us have the principle: do not go into details?—The principle is that the cost at the station plus the cost of transportation and charges to Apia, allowing the trading-station a reasonable margin of profit—

Judge MacCormick.] Which margin of profit naturally goes into the general fund of the company?—Yes. We figure on a profit, but the profit is not always there.

What the Chairman is trying to get is whether you fix a standard price for the copra in Apia, and whether from that you make such deductions as you think fair for each district to cover cost of transportation and shrinkage?—Yes, that is done.

Then what is the standard price in Apia?—£16 per ton.

Is that the standard fixed by all traders?—I understand it is the standard.

The Chairman.] We have been told that the proportion of profit in the strict sense made by all traders is largely composed from the profits of the purchase of copra?—No, certainly not, according to our records.

Mr. Brady told us that the bulk of the profit is made from copra?—My experience is that it is about “fifty-fifty.”

Now, there is a class of white men who are plantation-owners and who are experienced planters. Do you know whether those plantation-owners usually send their copra on consignment through one of the traders?—We buy a certain quantity of plantation copra.

Yes, certainly; but is the bulk of the plantation copra sent Home on consignment, or is it sold to individual traders in Samoa and then sent Home?—Some of the planters sell to the merchants in Samoa, and some of the larger planters ship through the Crown Estates. The majority sell to the traders here.

Now, the Natives are comparatively small producers of copra: they produce the product in small lots?—Yes.

At present you do not suggest that there is any real competition between the traders as to price?—We certainly agree to pay the same price in different districts.

Well, I am not referring to the difference between black and white, but are the Natives in a position and do they possess the knowledge to deal on equal terms for their copra?—Yes, they are treated on equal terms.

That is not quite the test. As Mr. Meredith put it to you, if the Native owner of copra does not wish to take your price he has no where else to dispose of it?—That is possibly right, but there are independent traders here to whom he can sell it.

The Samoans are not capable of forming any marketing organization of their own in their present condition?—No.

I might tell you that I was brought up in a school that deprecated Government interference in trade; but I would like to put one or two questions to you. First of all, the Administration in Samoa is entrusted in a sort of paternal way with the care and interests of the Samoans?—Yes.

And the Administration—not as the Administration of Samoa but as the Government of New Zealand—are the producers and exporters of copra?—Yes.

And they have drying-kilns in the Government plantations?—Yes.

They have therefore, without **embarking** on any special expenditure—speaking of the present time—they have the facilities for dealing with some portion of the Native copra?—No, they have not the facilities at present.

Do you doubt that they have the facilities by using the organization of the Crown Estates for dealing with some portion of the Native copra?—Not if you said the Government plantations. I will qualify that by saying that they have the facilities in the Crown Estates.

That is a matter with which you are not concerned; it is a matter for the New Zealand Government. Do you know that the Crown Estates are the property of the New Zealand Government, owned and bought by the New Zealand Government?—I know that.

Do you suggest that it is wrong to help the Samoans in some way through these Estates? Is that what you suggest?—I suggest that it is wrong in principle.

I am not bothering about principle at present. I am coming down to the special conditions in Samoa. I ask you whether they have not without the expenditure of further capital the facilities for dealing with a certain portion of the Native copra?—Yes.

Is it not a fact that the copra which is consigned through the Government must or ought to be of high quality?—Yes. Might I make one short statement in regard to one or two of your questions about the paternal interest that the Government should take in the welfare of the Natives. I would be the last to contend that the Government should not take that interest, but, seeing that the Natives are not being exploited, my contention is that they have gone the wrong way about it. They should have set up a Board.

I give you full credit for your opinion, but that is only a matter of policy—purely Native policy?—The point I was making is that as long as the merchants as a whole are giving the Natives a fair deal the Government should not take that paternal interest—not in that way.

You are perfectly right in the view that you are taking, and you must understand that I am only arriving at your view of the special advance?—Yes, I understand that.