

WALTER VOIGT sworn and examined.

Mr. Baxter.] You are the secretary for P. C. Fabricius, Ltd. ?—Yes.

We have been informed by the Administration that the Government have been making advances against Native copra of $3\frac{1}{2}$ cents at Mulifanua, $3\frac{3}{4}$ cents at Apia, $3\frac{5}{8}$ cents at Vailele and Vaitele, and $3\frac{1}{4}$ cents at Fagamalo: have you heard of that yourself ?—I have.

Do you know when it commenced ?—The first I heard that they were buying in Mulifanua was, I think, February of this year; and then we had reports from our trader in Matautu, Savai'i, on the 14th April that the Government was buying copra.

Those prices I have given you are advances: do you think your firm can make copra if they bought at those prices ?—I can conscientiously say that it would be impossible.

Why ?—Because the margin left between that price and the London market price does not leave any margin for an emergency at all, which a merchant doing business on a safe basis must consider.

Have you worked out that margin ?—Yes, I have worked out that margin. [Exhibit No. 3.]

Will you please explain the figures ?—I have started from the original buying-price from the Natives.

[Here ensued an explanation of the figures handed in.]

What is the average price in London now ?—We made our last sales in London at £25 10s.; and this is the average price realized last year, except one lot during the coal strike, when we lost considerably.

Then, on these figures you say that it would be impossible to pay the same prices as are being advanced by the Government ?—Yes; if you take the expenses which I have here off the price which you are most likely to get for the best class of copra in London, it does not justify the price paid to the Natives or allow for any emergency.

Under what conditions are your trading licenses issued ?—We have to buy according to instructions issued by the Government.

There are conditions laid down ?—Yes.

Would it be possible for merchants to purchase copra at their stations in two different grades ?—Yes, if a workable scheme could be found. There is very little difference between first and second grade, and it would hardly warrant us going in for it.

Do you know whether or not this scheme of improving the copra by giving the Natives more money has been discussed by your company or the merchants generally with the Administration ?—Not to my knowledge.

Mr. Meredith.] Perhaps you may be able to help us. When is the price in a particular district fixed ?—When the European market takes a change.

In one of the merchant's offices ?—Yes, generally.

Where was the last meeting held ?—In Burns, Philips' office.

Well, how do you arrive at that figure ?—This principle is a very old one, and as far as I can remember—twenty-five years back—it has always been followed.

What is the principle ?—The price fixed in Apia is the highest price that shall be paid. In olden times the Natives had an abundance of boats, and they brought their copra to the place where they could get the highest price. Then the Natives approached the merchants to open stations where they could bring their copra right to the door and buy goods. The merchant had to see that the price he was paying for the copra satisfied the Native, otherwise he would take it away from his station to another station or Apia, where a higher price would compensate him for his trouble.

Have you got a fixed difference between Apia and the other stations ?—Yes, because if we do not pay a higher or a lower price the Native will bring his copra to Apia, and the stations that we have erected would be lying idle.

So that you fix the price so that it will not pay the Native to bring his copra into Apia, and also fix the price so that it pays you ?—Yes.

So in buying copra at the stations you allow a profit for the stations ?—Yes.

So that the station has a profit as well as the profit that is made between Apia and London ?—That is a matter of book-keeping.

Now there are two profits ?—You can call it two or one, according to where it is accounted for.

Was the idea to pay a fair price at the stations so that this price, plus the cost of getting it to Apia, would be equivalent to the Apia price ?—If it were not so, the Natives would bring the copra to Apia themselves.

Of course, each Native has only a small amount of copra ?—It varies. Some Natives possess a lot, and some smaller quantities.

If the Native has a long way to come, and the conditions are not fairly good, he will not come to Apia ?—No.

Take your schedule and the price at Matautu: You land that copra in Apia at £13 8s. per ton—£2 5s. 6d. cheaper than you land the copra from Manono; and the Natives at Matautu get £2 5s. 6d. less for their copra. Why should these Natives get £2 5s. 6d. less for their copra than the other Natives ?—Because, as I said before, the place is not so inaccessible as Manono, and we incur less expense in getting from there.

But you have charged up all the expenses ?—First of all, this difference which occurs is partly on account of station expenses. Some traders work economically, and some traders pile up expenses for the merchant. I have not gone on estimated figures; I have gone on figures which our books show.

Then, the Native is asked to pay the overhead expenses of your stations ?—Yes, to a certain extent, because we have opened a station for his benefit.

You sell goods to the Natives, do you not—at a profit, of course ?—Yes.