

How much of the expenses of a station are you charging to the copra side and how much to the other side?—It is shown by my schedule as half the salary of the trader, and certain expenses for copra and certain for merchandise.

You have already debited the trader's half-salary there: what more do you want? On your figures you are landing your copra over £2 a ton cheaper from Matautu than any other copra?—On Manono we have 10 per cent. shrinkage.

But you have already allowed for that?—The shrinkage in Manono is £1 12s., against £1 17s. 9d. in Matautu.

But you have already allowed for that?—This is the practice that has been adopted by the traders in fixing the price.

I take it that the trading-station at Safotu is showing a profit?—It has this year, but not last year.

MACKAY DARROCH sworn and examined.

*Mr. Baxter.*] You are the accountant at Burns, Philp, and Co?—Yes.

You are the secretary of the Apia Chamber of Commerce?—Yes.

I wish to put to the witness a letter, dated 18th May, 1927, sent to the Administration. Is that a copy of the letter sent by your Chamber to the Administration [Exhibit No. 4]?—Yes, from the Chamber of Western Samoa.

*The Chairman.*] What is the date of the reply?—It is dated the 2nd September, 1927.

*Mr. Meredith.*] Is there any other correspondence with the Chamber of Commerce in respect to this matter?—Yes, there is other correspondence.

*Mr. Baxter:* I do not think that it affects the question at all. I will undertake to hand over any correspondence to Mr. Meredith.

*Mr. Meredith.*] Who are the members of the committee of the Chamber of Commerce?—Mr. Baxter is in the chair; Mr. Smyth, Mr. Nelson, Mr. Gurau, Mr. Churchward, and Mr. Williams.

These are the executive of the Chamber?—Yes.

WILLIAM MOWAT BURNETT sworn and examined.

*Mr. Baxter.*] You are the secretary of O. F. Nelson and Co., Ltd., of Apia?—I am.

Counsel for the Administration has informed us that the Administration is advancing against copra 3½ cents at Mulifanua, 3¾ cents at Apia, 3½ cents at Vailele and Vaitele, 3¼ cents at Fagamalo: can your company afford to buy copra at these points at that rate?—No.

Why not?—I think I can produce figures that will verify my contention. [Exhibit No. 5.]

[Discussion ensued on figures on schedule.]

Would your concern be prepared to join in a scheme for the improvement of the copra in Samoa?—Certainly.

Have you or your company ever been consulted as to whether the merchants would be willing to join in a scheme for improving the copra?—Not to my knowledge.

*Mr. Meredith.*] How do you arrive at these figures, Mr. Burnett?—These are actual figures from our books. I am working on a 10-per-cent. shrinkage right through, whereas it is often more than 10 per cent.

Do you attend the meetings for fixing the price of copra?—No; Mr. Nelson does that.

*The Chairman.*] We understand that in the price paid to the Native for copra outside of Apia, the price is calculated by the Apia price, less some rough allowance for the cost of transport between the place of purchase and delivery?—That is right.

Where is that reflected in your account: is the £10 1s. 7d. arrived at by making certain deductions representing cost of transport from the outside stations to Apia?—No, not in that way.

*Judge MacCormick:* It is less certain charges which makes the difference between the price in Apia and the price at the stations.

*The Chairman.*] If a deduction had not been made, the £10 1s. 7d. would have been a larger amount?—Yes; but we have the cost of our stations to keep up.

[Here ensued a further discussion on figures handed in.]

*The Chairman.*] Look at the last column, £8 19s. 3d.: that is arrived at by making a deduction in respect to the cost of the upkeep of the station?—Yes; we have to figure that D district is the farthest point out, and also a district from which we get very wet copra.

I notice that you have charged £2 4s. 10d. for the freight per ton.

*Judge MacCormick.*] And yet you get it into Apia for £13 7s. 6d., as compared with £15 10s. for Apia?—The conditions of that copra differ from the others a great deal.

*The Chairman:* It is a very strange thing, Mr. Burnett, that we have had three or four very intelligent gentlemen in the witness-box and we have been unable to ascertain from any one of them in agreement with the others the method and principle upon which they fix the price of copra.

*Judge MacCormick:* Mr. Voigt is the only one who gave us any explanation.

*The Chairman:* And you differ very materially from him.

*Judge MacCormick.*] You do not take any part in these deliberations?—No.

*The Chairman.*] Your explanation of the position not only differs from one of the others, but differs from all of the others. How long have you been in this business?—Four years.

TUESDAY, 27TH SEPTEMBER, 1927.

*Mr. Slipper:* May it please Your Honours, the subject to be brought up is that of prohibition. It is unnecessary for me to say very much before calling witnesses.

*The Chairman:* You ought to have said all you want to say. I would point out what the mandate says.