Sir,

With reference to Your Excellency's confidential despatch of the 16th March on the subject of the Phoenix Islands, I have the honour to submit the following report in connection with my visit to the group in H.M.S. "Leith" during the month of February last.

2. I transferred from H.M.C.S. "Nimamoa" to H.M.S. "Leith" at Christmas Island in the late afternoon of Sunday, the 7th February, and we weighed anchor shortly after 4 p.m. the following day. In the evening a message was received from the Cable Company at Fanning Island that they had been unable to establish contact with Mr. Barrack at Christmas Island in accordance with prearranged schedule and the ship's operator was equally unsuccessful. The following morning Christmas Island was still out of touch. After consultation with me the Captain of H.M.S. "Leith" decided to stop the engines and drift pending further news, and when shortly before 11 a.m. the Cable Company reported that they were still unable to establish contact with Christmas Island, the Captain gave orders for the ship to go about and return to Christmas

His Excellency,

THE HIGH COMMISSIONER FOR THE WESTERN PACIFIC.
Christmas Island to discover what was wrong. Not long afterwards a message was received by the ship from Mr. Barrack stating that he had experienced considerable trouble with his apparatus but that he had managed to improvise various adjustments and was now in touch with Fanning Island. Captain Tudway enquired whether either H.M.S. "Leith" or the "Nimana" could render assistance by returning, and on being assured by Mr. Barrack that the more immediate difficulties had been overcome and that he felt fairly confident of being able to maintain a regular daily schedule with Fanning Island pending the arrival of certain necessary equipment which he enumerated in his message, we again turned about and resumed our course for the Phoenix Islands.

3. Canton or Eairy Island was sighted in the morning of the 12th February and after coasting along the entire length of the eastern and northern littoral we dropped anchor on the western side of the island soon after noon. A landing party left the ship almost immediately afterwards in the ship's skiff (equipped with outboard motor) but, owing to the outward race of the tide in the boat passage leading into the lagoon, it was well over an hour before the passage could be negotiated and a landing inside the lagoon effected. The afternoon was spent in exploring the western shore of the island and part of the lagoon. By sunset the tide had turned and an equally strong current of at least 5 to 6 knots was racing through the passage from the open sea into the lagoon. A long and chilly wait in the dark ensued, the members of the party beguiling the time by fishing for sharks, with which
which the passage was absolutely teeming, with rods and hand-lines - a somewhat eerie sport in the pitch darkness. The total catch numbered over twenty. With the aid of the ship's searchlight, which played up and down the boat passage, the ship was eventually regained about 9 p.m. and anchor weighed shortly before midnight.

4. Phoenix Island was reached about 9.30 a.m. the following morning. A landing party put off straightway from the ship, which drifted off shore on the westward side of the island, the landing through the surf being accomplished at the cost of the mildest of duckings. A small stone mound was hastily erected close to the landing-place, on top of which the flag was planted and a notice-board with the usual inscription placed at the base. The island, which is only about two-thirds of a mile long and half a mile wide and entirely devoid of any vegetation except coarse weed, was then rapidly inspected, the most notable feature, besides the myriads of sea-birds whose eggs it was extremely difficult to avoid treading on, being the innumerable little tan and tan-and-white rabbits which scampered away with lightning speed from under one's feet every few paces. The whole island was literally riddled with burrows in the sand, rendering it impossible to maintain one's equilibrium for more than a few yards at a time. The ship was regained and course resumed about 10.45 a.m.

5. Our next visit was paid to Sydney Island where anchor was dropped on the edge of a steeply sheering reef within a cable's length of the shore shortly before 4 p.m. A somewhat ugly-looking surf was breaking on the reef which encircles the island, but, in view of the precarious nature of the anchorage the
the Captain was anxious to avoid spending the night there and it was decided to attempt a landing without delay in one of the ship's 'whalers'. Our experience was not a very happy one, the heavy boat broaching to in the surf and precipitating its occupants with unpleasant suddenness and force into the seething shark-infested waters around. While the rest of the party was engaged in righting the boat, recovering oars and various other items of equipment which had been thrown out in all directions, and preparing everything for the somewhat hazardous task of negotiating the breakers again, I hastily explored as much of the island as possible within the limited time at my disposal. At 6 p.m. sharp, in accordance with arrangement, the boat was manned and, as soon as a favourable opportunity appeared to present itself, headed straight for the breakers on the edge of the reef. A big 'curler' was just survived and it seemed as though the danger point was passed, when another wave, bigger than the last, descended on us before it was possible to manoeuvre the boat into a 'head on' position again, the 'whaler' was caught up and hurled violently back towards the beach and once more we found ourselves struggling in the foaming waters around us. It was now growing dusk, but it was decided to make one more attempt to get out to the ship before nightfall. With frantic haste and energy the boat was again righted, missing gear recovered, oars relashed, etc., but this time the party to handle the boat was reduced in number by two, one of the ratings having somehow got washed out through the break of the surf into the open sea beyond and the Sub-Lieutenant having gallantly swum out through the breakers in answer to his signals of distress. Unhappily the same fate
fate attended our second attempt to regain the ship with equally unpleasant experiences for all concerned. It was now nearly dark and there was nothing else to do after securing the boat but to resign ourselves to a cold and cheerless night ashore. Fortunately after a few hours of shivering in the darkness in soaking clothes with an intensely cold wind blowing it was found possible to strike a match and a big pile of dried coconut leaves was lighted, around which we sat or lay, with our clothes drying on a stone parapet close by the fire, anxiously awaiting daylight. Conditions in the early morning did not show much improvement and it was decided to wait for a few hours in the hope that the surf might abate a little with the changing tide. In the meanwhile the 'whaler' was with exertion dragged along the beach a distance of some 30 to 40 yards to a spot where the beach shelved rather less precipitously at the water's edge. After a wait of three to four hours, as conditions appeared to be growing rather worse than better, we prepared once again to face the ordeal. The boat was put in the water and manned and, as we were awaiting a lull in the surf, the back-wash of a big wave suddenly caught the heavy 'whaler' and dragged it inexorably out towards the breakers. It was impossible to hold the boat and so, the oarsmen pulling like men possessed, we again headed straight at the surf. For a moment the boat balanced perilously on the crest of a 'cruizer', half broached to, was frantically righted, took the following wave head on and we suddenly found ourselves to our intense relief in smooth water beyond the break on the reef. Anchor was weighed shortly after we had regained the ship and the course set for
Hull Island.

6. It was nearly 5 p.m. in the afternoon of the same day, the 14th February, before we arrived at Hull Island, and, as there is no anchorage at this island and nearly 18 hours had been lost through unforeseen circumstances at Sydney Island, it was arranged that the ship should circumnavigate the island at as close a range as safety would permit and that we should then proceed direct to Gardner Island. As several officers of H.M.S. "Leith" had landed at Hull Island on the outward voyage to Christmas Island only a fortnight previously, I was able to elicit a considerable amount of useful information without actually landing at the island.

7. Gardner Island, which is at the south-western extremity of the Phoenix Group, was the last island to be visited. It was reached about 8.30 a.m. on the morning of the 15th February. Although from the bridge of the ship, as we coasted closely along the northern and western shores of the island, the continuous break on the encircling reef did not appear, after our Sydney Island experience, altogether inviting, a landing was effected without the slightest difficulty or mishap at a spot practically midway between Reef Pt. and S.W. Point. The flag was hoisted and a notice-board placed in position at the edge of the scrub about 50 yards south of the landing-place. After about two hours ashore exploring the island, which is the home of millions of coconut-crabs despite the fact that there are only a dozen or so coconut-trees growing on the island, the party returned to the ship and the course was set for Suva just after 11 a.m.

8. For the purpose of convenience
I am attaching the notes which I compiled on the various islands at which I called in H.M.S. "Leith" in the form of an appendix to this despatch. Only Phoenix Island of the smaller islands of the Group was visited. From all accounts none of them is of the slightest practical value for any purpose whatever.

9. During my visit to Auckland en route to Ocean Island early in March I obtained much valuable information about the Phoenix Islands from Mr. A.F. Ellis, the New Zealand Phosphate Commissioner, who had worked the guano deposits and simultaneously planted coconuts for Messrs. John T. Arundel and Company at several of the principal islands of the Group as long as nearly fifty years ago. Mr. Ellis subsequently discussed the subject in Melbourne with a Mr. G.W.W. Cosens, late Harbour Master at Ocean Island, who was stationed on Sydney and Hail Islands for some years in charge of the young coconut plantations there, and he has now been kind enough to furnish me with a set of notes on the Phoenix Group: a copy of which is herewith enclosed.

10. At Wellington I was able to discuss in detail various aspects of the Phoenix Group from the viewpoint of potential commercial air routes as well as strategic bases with both Captain R.B. Oliver, R.N., Second Naval Member of the New Zealand Naval Board, and with Lieutenant-Commander J.C. Head, R.N., Staff Officer, Naval Intelligence Department. His Excellency the Governor-General and Mr. Berenson, Permanent Secretary to the Prime Minister of New Zealand, also displayed keen interest in the Phoenix Islands.

11. While in Sydney I had several interviews
interviews with Mr. J. Mitchell, the General Manager of Messrs. Burns, Philp (South Sea) Company Limited, regarding the Phoenix Islands. Mr. Mitchell informed me that, in view of the encouraging state of the copra market, the Directors had decided to resume operations at Nul and Sydney Islands, which the stress of economic circumstances had compelled them to abandon in 1932, as soon as possible after their vessel "Makoa", which was at present awaiting overhaul at Suva, was in commission again. Mr. Mitchell was unable, however, to supply me with any information regarding the details of the scheme, all plans and necessary arrangements having been left entirely to their Branch Manager at Apia. I was unable to discover where it was proposed to engage labourers for the enterprise or in what numbers, nor could I learn who would be in charge of operations at the two islands.

12. Mr. Mitchell stated that his firm had no intention of attempting to develop any of the other islands of the Phoenix Group covered by the Occupation Licence of the which they were the present holders and he intimated that they would be willing to enter into negotiations, should the Government desire to acquire possession of one or more of the islands for the purpose of settling the surplus inhabitants of overpopulated islands in the Gilbert and Ellice Groups. They were not, however, prepared to reconsider the former proposal of working their coconut plantations at Nul and Sydney Islands with families imported from Gilbert and Ellice Islands on a half-share basis, at any rate for the next few years, nor to entertain the suggestion of selling outright to the Government their
their interest in either of the two islands where they were about to resume operations.

13. Mr. Mitchell was good enough to have prepared for me in his office copies of the original Occupation Licence issued to the Samoa Shipping and Trading Company Limited on the 31st December, 1914, and of the Deed of Assignment transferring the Licence to Messrs. Burns, Philip (South Sea) Company Limited in 1926. The licence does not appear to contain any forfeiture clause in the event of the suspension of operations at any of the islands and of their temporary abandonment. Attention is invited to the clause relating to the resumption of land for public purposes which has a certain bearing on the matter under consideration. Maclean and Enderbury are the only islands of the Phoenix Group which are not embraced by the Occupation Licence, but, as stated above, for all practical purposes they are entirely valueless.

14. Since my return to Ocean Island, I have had an opportunity of interrogating certain natives at present in Government employment who at one time or another worked for varying periods at Hul or Sydney Islands and who have also visited Gardner and Canton Islands. The information gleaned from this source has been particularly helpful and the views of my informants on various matters connected with the possible settlement of the Phoenix Group most illuminating.

15. With regard to the more general aspects of the scheme under consideration, that is to say, the relief of increasing congestion of population in certain of the southern Gilbert and northern Ellice islands by the transfer of the more hard-pressed families
families to the Phoenix Group, only three islands appeared to me at all suitable for the purposes of permanent settlement, namely, Hull, Sydney, and Gardner Islands. The two first-named islands, where Messrs. Burns, Philp are about to resume operations, enjoy the all-important advantage of being already extensively planted with acres of coconut trees in full bearing, whereas at Gardner Island there are only about a dozen. Judging from the extent and size of the vegetation growing on the three islands, I would select Gardner Island as definitely the most fertile, Hull Island as second in order of succession, and Sydney Island as obviously last, despite the fact that the coconut trees which I saw there appeared for the most part to be flourishing. My native informants, however, assured me that the soil at any of the three islands was eminently suitable for the cultivation of pandanus, 'babai', bananas, breadfruit trees, and other tropical food-bearing plants. At Gardner Island there are extensive groves of a tall handsome tree locally known as "kanava", the timber of which is highly prized for boat-building, canoe-making, and general domestic purposes. In the Tokelau or Union Group, I am informed, the canoes are fashioned exclusively out of 'kanava' wood. All three islands abound with sea-birds, fish, turtle, shell-fish, and crabs of every variety - a natural and, I should imagine, inexhaustible source of food supply.

16. In considering any scheme of settlement, the question of a regular fresh-water supply is of paramount importance. I hunted around for the sites of old wells at each island where I went ashore but failed to locate any. I am informed, however,
however, that good fresh water can be obtained anywhere on Sydney Island by sinking a well to a depth of 2 to 3 feet only, while on the eastern side of the island there is said to be a constant percolation of fresh water draining out of a swamp through rocks into the central lagoon. At Muli Island, I understand, conditions are similar in the matter of well water, though one of my informants told me that for some strange reason, when he landed there with a party of labourers in 1918, the well-water was found to be undrinkable and that they had therefore to rely entirely on condensed water and such rain-water as they managed with their limited means of catchment to conserve in tanks. I have been unable to obtain any definite or reliable information about well-water at Gardner Island. Mr. Ellis in his notes compares the climate of the Phoenix Group to that obtaining in the Southern Gilberts and implies that similar drought conditions periodically prevail. According to my native informants, however, the rainfall in the Phoenix Group is more comparable with that in the Ellice Islands, i.e., normally from 70 to 120 inches annually, and they state that they have never known a dry spell last for longer than three to four months at the outside. Notwithstanding the natural resources of well-water, it is obvious that any party of settlers would need to be equipped with a very liberal supply of galvanised iron for catchment purposes and plenty of iron tanks.

17. The question of landing facilities is also an all-important one in considering a scheme of permanent settlement. Sydney Island is the only island of the three which ships can anchor in fine
fine weather, but the landing at Sydney Island is notoriously difficult - and often dangerous - at all times of the year, a feature which renders it practically valueless from the point of view of settlement purposes. At Hull Island there is no anchorage but the landing there, according to the unanimous opinion of all whom I have consulted on the subject, is under normal conditions an infinitely easier proposition than at Sydney Island. The island is dissected with numerous shallow channels connecting the lagoon with the outer reef, but I agree with Mr. Ellis that it would be an extremely difficult feat to blast a deep-water entrance through any one of these narrow channels into the lagoon. Gardner is similarly handicapped by the absence of an anchorage for shipping, but there is at the same time quite a broad entrance from the open sea into the lagoon on the western side of the island, the mouth of which is barred, however, by the continuation of the reef which encircles the island. The negotiation of the entrance, nevertheless, according to my native informants, is not difficult, despite the continuous break on the reef, in normal weather conditions, and the cost of blasting a permanently navigable boat passage through the outer reef into the lagoon should not, I think, prove prohibitive, if it were ever decided to occupy the island.

18. Canton or Mary Island is by far the largest atoll in the Phoenix Group, and also, exclusive of the four valueless islets mentioned above, the most barren and inhospitable in appearance. With the exception of some isolated clumps of bushes and ten coconut trees - the hardy survivors, I understand,
of a vanished plantation – the only vegetation on the island consists of coarse weed and tufts of rank grass. Mr. Ellis refers rather indefinitely in his notes to the existence of fresh well-water on the island and it is difficult to believe that a staff of Europeans and a considerable native labour force could have lived on the island for the space of two years without any natural source of water supply. I was unable, however, to trace any signs of abandoned wells within the vicinity of the site of the old settlement on the western side of the island. I should not like to state definitely that cultivation of such staple food-products as the pandanus and 'babai' would prove absolutely impossible on Canton Island, but, despite the fact that the waters of the lagoon teem with fish and millions of nesting sea-birds cover the ground, I should at the same time be loth to be responsible for the settlement of natives on the arid-looking spaces of this island without the most positive assurance on the part of those qualified to express an opinion that it was capable of producing the natural resources of the soil on which the natives of the Gilbert and Ellice Islands have for long ages learnt to subsist.

19. Although I had received no specific instructions in the matter, I assumed it to be part of my duty, in the light of recent developments, to keep an eye open for natural facilities from the point of view of aerial navigation at the various islands of the Phoenix Group which I visited. Without the advice of a qualified airman – and there was no such officer attached to H.M.S. "Leith" – one feels inclined to be diffident in expressing any definite personal opinion on the subject, but I think that there can be very little doubt that Canton Island represents easily our most valuable
valuable asset in the Phoenix Group from the aspect
which we are considering. Apart from its geographical
position, it possesses a completely-sheltered central
lagoon some 8 miles long by 3 miles wide, a safe
anchorage in easterly weather, and a clear passage
from the open sea into the lagoon, through which,
subject to the state of the tide, material and
equipment could be landed with a minimum of risk. The
lagoon, it is true, appears to be widely studded with
coral heads and shoals, but the clearing of an
adequate alighting - ground for seaplanes or flying-
boat would not, I think, present much difficulty or
entail very great expense. On shore also I came across
a straight almost level stretch of land apparently
two to three miles long by about 500 yards wide
covered with rough grass and coral shingle, which
appeared to me to hold considerable possibilities as
a landing-ground for aeroplanes, its chief disadvant-
age, I should imagine, being the fact that it runs
crosswise to the prevailing easterly winds. Its
geographical position gives Canton Island a special
significance in connection with the possible establish-
ment there of a meteorological observation station and
directional routeing post.

20. Of the remaining three islands
the difficulties and dangers attaching to the landing
of all stores and material through the surf effectually
discount, in my opinion, any natural facilities which
Hull and Sydney Islands may otherwise be considered to
possess. With regard to Gardner Island, it might, I
think, be found possible to utilise this small island
as an emergency air-port for seaplanes or for the
establishment of an observation post, if a boat passage
were
were blasted through the reef at the western entrance into the lagoon as suggested in paragraph 17 above. The lagoon is approximately 3 miles long by three-quarters of a mile wide with the usual shallow patches, particularly at the nor'-western end, but there appeared to be a number of stretches of clear blue water which with a certain amount of blasting, where necessary, might, I imagine, be made into a serviceable alighting-ground for aircraft. According to my native informants, the average depth of the lagoon is about 5 to 6 fathoms but not much reliance should be placed on this information.

21. In the light of the foregoing observations the strategic aspect as well as the strictly practical purpose of the proposed settlement scheme need not be emphasised. The scheme itself, however, simply bristles with difficult problems, demanding the closest investigation and study and calling for the most careful and detailed organisation. Such questions as the basis of distribution of land and the system of land tenure to be adopted, the social and political organisation and administrative control of the new settlement, the maintenance of the settlers during the early years of the scheme, the provision of adequate housing accommodation and an assured fresh-water supply, the provision of medical care, and innumerable other considerations will require to be examined in detail and dealt with before the scheme can be safely carried into effect. If only one island is available for occupation, the question arises as to whether communities of Gilbertese and Ellice Islanders would live harmoniously side by side on the same small island.
island.

22. As I have already suggested to Your Excellency, the first essential preliminary step towards the progress of the scheme appears to me to be the despatch of the "Nimanoa" as soon as circumstances permit, with an Administrative Officer, a Medical Officer, and a small representative party of prospective settlers to make a survey of the islands of the Phoenix Group, in particular Gardner Island, with a view to ascertaining and to examining on the spot the various problems with which any such project must inevitably abound. I consider Mr. H.E. Maude to be the Officer in the Service pre-eminently qualified by experience and ability to be entrusted with the difficult task of investigating the true position as regards the extent, causes, and consequences of overpopulation in the Southern Gilbert Islands and the urgency of the need of relief, and also of organising the multifarious details of the undertaking, should it be finally decided to proceed with the scheme. As regards the question of overpopulation in the northern Ellice Islands, Mr. Kennedy can be relied upon to supply authoritative information whenever such is required.

I have the honour to be,

Sir,

Your Excellency's most obedient servant

Resident Commissioner.