

GILBERT AND ELLICE ISLANDS COLONY.

S. _____ G.
Confidential.

Ocean Island,
6th January, 1938.

Sir,

I have the honour to submit the following report on the proposal to alleviate the over-population and "land hunger" existing in certain parts of the Colony by assisting the more hard-pressed families to migrate to the islands of the Phoenix Group. As stated in my letter No. 11 of the 19th November, I estimate that not less than 3,500 Gilbertese and 130 Ellice Islanders will be found to be genuinely anxious to migrate owing to the insufficiency of their land holdings, and therefore deserving of Government assistance. Both in the Gilbert and Ellice Groups, however, I was informed by the natives that while they were prepared to go anywhere considered suitable, they themselves were anxious to be allowed to settle on Christmas Island rather than the Phoenix Group. As a result of my recent visit it was clear, moreover, that the Group is only capable of supporting some 750 Gilbertese at the present time. It would be a grave mistake, therefore, to embark on any scheme for the settlement of the Phoenix Islands without considering whether or not other atolls, such as Christmas Island, exist in the Central Pacific, as well or better suited for colonisation purposes. This subject can, however, be better dealt with in a separate letter and I am confining myself here to a consideration of

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Gilbert and Ellice Islands Colony,
Ocean Island.

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19.11.37.

of the practicability of settling some at any rate of the potential emigrants in the Phoenix Group and with the details connected with the scheme.

Part I. The Phoenix Islands - their suitability.

2. Reference to my Confidential letter of the 3rd December will show that the majority of the native delegates taken on the recent expedition considered that four out of the eight Phoenix Islands were suitable for permanent settlement - namely, Hull, Sydney, Gardner, and Canton. The opinions there recorded were those of the majority of the Gilbertese delegates, the Ellice Islanders holding, as a general rule, markedly different views on the whole question of colonization. These views will be detailed and discussed later.

While I agree with the delegates that it is well worth while attempting a settlement on each of these islands I consider that owing to differences in rainfall and soil the chances of success are greater on Hull and Sydney than on the other two.

Climate.

3. Meteorological statistics concerning the Phoenix Islands are virtually non-existent. It seems almost certain, however, that the islands fall climatically into two groups -

- (a) The northern "dry" islands, consisting of Canton, Enderbury, McKean, Birnie, and Phoenix, all lying between latitudes 2.49 and 3.42 S.
- (b) The southern "wet" islands, consisting of Sydney, Hull, and Gardner, lying almost due east and west between latitudes 4.27 and 4.41 S.

(a) The Northern Islands. Writing of Enderbury, Captain Elias Hempstead states that during the three years he was there

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there, "the wind blew steadily from E.N.E. to E.S.E. three-quarters of the time, the other quarter from N.E. to S.E. I have never experienced the wind from the westward. Very little rain falls on the island, although it rains heavily in the immediate vicinity."¹ Captain Schorf says of the same island that, "the winds prevail almost constantly from the eastward, but squalls accompanied by light rain occur all the year round in the neighbourhood; very little rain falls on the island. The wind is variable from January to May, during which period bad weather is most common".²

Observations taken by Mr. F.H. Rostier on Canton Island during September and October show the average temperature at 8 a.m. to be 83°; at 2 p.m. 85°; the daily average variation being between 79° and 85°. The relative humidity varied between 76% and 83%, with an average of 80%. The wind was always from the east. Rain fell on 8 days in September and 11 days between the 1st and 17th October. Rainfall figures subsequently telegraphed to me give totals of .85 of an inch for September, .41 for October, .41 for November, and .03 for December.

The scanty information at our disposal tends to show that Canton and the remaining northern Phoenix Islands have a climate and rainfall similar to the neighbouring Howland and Baker Islands, and Jarvis Island on the same latitude, concerning all of which figures have been published.³⁻⁵ In temperature and relative humidity the islands are comparable to the Southern Gilberts, but, while the precipitation on the surrounding ocean is the same, the rainfall on the islands is less owing to the absence of trees which would prevent the heating of the land surface. The thin and procumbent vegetation cannot prevent the strong radiation, which breaks up the rain clouds, causing them

to precipitate into the ocean around, and at the same time dries up any moisture there may be in the soil. Owing to radiation from the extensive phosphate fields, a similar phenomenon is sometimes seen on Ocean Island.

The characteristic feature of a climate such as that of the northern Phoenix Islands is thus an exceedingly even temperature, with relative humidity lower than on the surrounding sea. Clear skies as a general rule but with fairly frequent light showers. Except during westerly weather, heavy showers or rainy days are unknown, and precipitation is lower than on the ocean around. Westerly weather undoubtedly does occur, as in the Gilbert and Ellice Groups, but a year or more may pass without a westerly season.

(b) The Southern Islands. The only observations which I have been able to obtain concerning the three southern islands are those made by Mr. J.W. Jones on Hull Island during a 15 day period in August, 1937. These show the average morning temperature to be 81°, rising to 82° only at midday. The wind varied continuously from E. to S.E. From the general appearance of the islands and an inspection of the flora, soil, pools, etc, I am of the opinion that the rainfall and general climatic conditions represent a mean between those obtaining in the northern Ellice Islands and Arorae and Tamana in the southern Gilbert Islands. The relative humidity appeared high, as in the Ellice Group, and the growth of many plants was more luxuriant than in the Gilberts but, on the other hand, droughts of short duration appear to be more common on Hull and Sydney than in the Ellice Islands. In any case there does not appear to be any reason, from the point of view of rainfall or other climatic conditions, why the three southern islands should not be perfectly suitable for

permanent

permanent settlement.

Soil. 4. The comparatively light and sandy soil of Hull and Sydney Islands have been proved to be suitable for the growing of coconut and pandanus trees, the main sources of the food supply of the proposed settlers. There is no reason to suppose that "babai" and taro, which are practically the only other food plants grown by the natives, should not also do well and, in any case, it is quite possible for the Gilbertese to live comfortably without these tubers which, on the poorer islands, form a luxury diet eaten mainly on feast days.

With regard to Gardner Island, as stated in my main Report I consider this to possess the richest soil in the Colony, with the possible exception of Washington. Characteristic of the island are the extensive groves of flourishing *Pisonia* trees growing in a rich dark brown mould. The delegates considered that practically the whole of Gardner was good coconut land. Subsequent investigations have, however, inclined me to the view that land favoured by *Pisonia grandis* may not prove as suitable for the growth of coconut palms. To quote Christophersen, writing on Palmyra Island, -

"The forests of *Pisonia grandis* are associated with highly phosphatic soils of an acid reaction, and almost entirely composed of organic matter. The presence of a hard pan consisting of coral conglomerate more or less completely transformed into calcium phosphate, is also characteristic. The coconut forest, on the other hand, is associated with sandy non-phosphatic soils of an alkaline reaction, and with a medium or low percentage of organic matter. No hard pan is present."

This is borne out by the findings of Mr. B. Fairfax-Ross on Fanning. In his confidential report on that island he states that:-

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"The planted sections are, however, almost entirely phosphate rock and hardpan areas. Almost without exception the planted sections grew excellently as very young palms, formed robust butts, but failed as soon as the roots reached the rock strata. These areas commenced with a very prolific yield, but at 10 years old were almost non-bearing and shortly finished."

The soil of Canton Island appeared to be midway between the rich mould of Gardner and the lighter and more sandy soil of Hull and Sydney. The same remarks apply, therefore, to Canton, though to a lesser degree.

Health conditions. 5. I was informed by Native Medical Practitioner Tutu, who accompanied the recent expedition, that there was no reason, from a medical point of view, why Gilbertese or Ellice Islanders should not live perfectly normal healthy lives as permanent settlers on any of the islands in the Phoenix Group, provided they had an adequate supply of suitable food and water. An adequate food supply exists at present on Hull and Sydney Islands only, the remainder lacking coconut trees for more than a handful of settlers. He considered that, at the time of visiting the islands, the water supply on Sydney, Gardner, Canton, and Hull Islands was sufficiently fresh for consumption by the Gilbertese, who are accustomed to drinking similar brackish water from their own wells. As will be seen later I do not, however, recommend the permanent settlement of Gilbertese or Ellice Islanders without the provision of tanks or storage cisterns and catchment areas, for emergency use.

It would appear obvious that with similar climatic conditions and range of temperature, and in the absence of any indigenous population, native settlers from this Colony are unlikely to suffer from any diseases other than those to which they are accustomed in their home and environment. The Europeans and natives seen on Canton, Sydney, and Hull Islands were keeping in excellent health

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and Mr. Roastier spoke highly of the climate. Natives of this Colony who have lived for years in the Phoenix Islands as indentured labour have told me that they kept in perfect health throughout their stay.

There are no mosquitoes native to the islands but past experience has shown that they invariably arrive with the native labour sent to work on the guano deposits or plantations. These immigrant mosquitoes are presumably *Culex* and/or *Aedes variegatus*. No *Anopheles* have ever been recorded.

6. The suitability of each of the four islands for colonization purposes is briefly summarized below in the light of my report on the recent expedition and of the foregoing observations. -

Hull Island. I consider this island to be quite eligible for colonisation by natives of this Colony. I am confident that the rainfall and climatic conditions will prove to be suitable. The soil has been found to be favourable for the cultivation of coconut and pandanus trees and there is every reason to suppose that "babai" and taro will also grow. It is possible for visiting ships to anchor during fair weather and the landing is not difficult at such times. There is a plentiful supply of fish both in the lagoon and off the reef. In my opinion the only difficulty with regard to this island is the water supply. The delegates, however, drank the well water on Hull Island and were confident that it was suitable for use as the sole supply of any future colonists. Furthermore Mr. A.F. Ellis, who is the recognized authority on the Phoenix Group and who lived on Hull Island for a considerable time, states in his notes attached to His Honour's Confidential letter of the

28th May that, "Fairly good well water is obtainable, the principal well being about 100 yards to the North East of a stone beacon erected at the West point". Nevertheless, for the sake of safety, I would recommend that, if the island should be permanently colonized, two 30,000 gallon cement storage cisterns, together with a suitable catchment area should be erected for use during a possible emergency. Subject to this provision I consider that at least 350 Gilbertese can be sent to the island immediately and that the settlers can be gradually increased up to a maximum of not less than 1,100 as the remainder of the island is planted with food-bearing trees. As in all my estimates of the numbers of colonists which an island can safely bear at present or in the ultimate future, I have endeavoured to keep on the conservative side and my figures are less than those given by the majority of the delegates. The Onotoa delegates, for example, considered that Hull Island could support a present population of 700 and an ultimate 1,300 while the Arorae delegates held that it could carry 500 at the present time and no less than 2,000 when fully planted. After mature consideration I recommend that Hull Island should be assigned to the natives of Beru for colonization, in view of the fact that their need is by far the greatest and ^{that} they possess even at the present moment sufficient numbers of potential emigrants to fill the island when fully planted. This question will, however, be dealt with in fuller detail later on.

Sydney Island. I consider that this island also is suitable for permanent settlement. The rainfall and climatic conditions are the same as for Hull Island. The soil is probably even better suited for the cultivation of native food-bearing trees and plants. The anchorage is

better

better than at Hull but the landing is not so good. It would, however, offer little difficulty to natives during fine weather. In this connection it should be emphasized that it was possible to ship guano and land supplies for 100 labourers throughout the period when it was being worked by John T. Arundel and Co., and some 40 tons of copra per annum have been exported from the island for a great number of years. Fish are plentiful off the reef, but there are none in the lagoon. The native delegates considered the well water to be definitely good and above the standard of the average Gilbertese village well. Although the water appeared to be quite drinkable even to an European like myself I would nevertheless recommend that a storage cistern of say 30,000 gallon capacity should be erected for emergency use, if it be decided to colonize the island. Provided this is done I consider that at least 400 Gilbertese can be sent to Sydney Island immediately and that the numbers can be gradually increased to 900 or more. As against my perhaps somewhat cautious estimate, the delegates from Onotoa considered that the island would hold 700 natives at the present time and 1,400 when fully planted. The corresponding figures as given by the delegates from Arorae were 600 - 700 and 2,200. As stated later I am of the opinion that Sydney should not be allotted to any one island for colonisation purposes but that suitable settlers from any of the over-crowded islands in the Central and Southern Gilberts, with the exception of Beru, should be allowed to settle there.

Mr. Ellis, in his above-mentioned Notes, refers to the depredations of rats proving a problem on this island. There are small rats on all the islands of the Phoenix Group, as in the Gilbert Islands, but I do not for a moment consider that they will present any problem to
future

future settlers. Should they become at any time inconveniently numerous I would recommend the time-honoured expedient of offering a penny a tail for dead rats as the easiest and most successful method of reducing the numbers of these pests to a reasonable figure. In the days when this method was employed in the Colony I saw campaigns result in the virtual extermination of the rodents on islands larger than either Hull or Sydney in less than six weeks, and for an average expenditure of about \$15 which went directly into the pockets of the poorest natives; whereas since the method was discontinued in favour of poisoned baits, etc, the rat population has increased by leaps and bounds and is once again becoming a nuisance throughout the islands.

Gardner Island. I believe that it is well worth while making a serious attempt to plant and colonize this island. The climate is similar to that of Hull and Sydney Islands and the rainfall would appear to be, if anything, heavier. There is an anchorage and fair landing. Fish are very plentiful both in the lagoon and off the reef. The delegates were satisfied with the well water found, which was better than on Hull Island. The only doubt in my mind with regard to this island is whether the large areas covered with *Pisonia grandis* will prove to be suitable for the growing of coconut trees. Mr. Ellis, in his above mentioned Notes, suggests that the reason why certain coconut trees planted by J. Arundel and Co. did not do well was either "because a heavy drought was encountered while the plants were still immature or, more likely, because the large numbers of crabs there ate them off". I believe that these trees were planted about 1890 and, while there was a severe drought in the Gilbert Islands, and presumably in the Phoenix Group also, from 1890 - 1894, yet it would appear

appear more than possible that the reason that the trees died was because they were planted in soil which proved unsuited to their growth. The coconut trees at present on the island are all growing in areas adjacent to the lagoon and none of them are ⁱⁿ very close association with the *Pisonia* groves. Should the trouble, however, prove to be the coconut crabs, they could be fairly easily exterminated by the natives.

While, therefore, the point whether soil favoured by *Pisonia* trees is also suited for coconut cultivation must, I think, remain a debatable one until fairly extensive plantings have been made; there is nevertheless, in my opinion, sufficient open country, particularly in the south-east, ~~to~~ warrant permanent settlement. This open country was very like similar areas in the Gilbert Islands and there is every reason to believe that coconut and pandanus trees would do well there. There are, also, further areas around the lagoon shores similar to those where coconut trees are flourishing at present. Much of the island, furthermore, particularly on the north coast, carries only poor specimens of *Pisonia* trees, and it is quite possible that this type of soil, ill-adapted for the growing of "buka", may prove suitable for coconut palms.

Should an attempt not be made to colonize this island it will prove a grave disappointment to the natives of the Colony, since the delegates have brought back such glowing accounts of the eminent suitability of the island for settlement that it is generally considered the finest atoll in the Colony and everyone I have spoken to is anxious to be given a chance to go there. If the Government is not willing to finance an experimental settlement I feel sure that the natives of Onotoa and Arorae would

would be more than anxious to refund the cost of such an undertaking, provided they were allowed to colonize the island between them. My estimate that the island would support a total population of 1,100 when fully planted, given in the main report, was, of course, based on the assumption that the Pisonia areas would carry coconut trees. This figure may be compared with the estimate of 1,500 and 1,600 made by the Arorae and Onotoa delegates respectively. Should the Pisonia areas not prove plantable the island would still, in my opinion, be able to carry a substantial population, though I am unable to give an estimate of the exact number of hundreds which it could then support as it would depend on the areas which experiment found suitable for coconut and pandanus cultivation.

I recommend that the island should be allotted to the natives of Onotoa and Arorae jointly for the purpose of colonization but that the expense of the settlement should be met from Government funds. I suggest that 5 young men in charge ^{of} 2 carefully selected middle aged natives of standing should be sent from each island, the whole Group to be under the direct control and supervision of a native or half caste appointed by the Government. I believe that on Gardner Island these pioneer planters could safely be accompanied by their wives and children and that it would be advisable for them to be allowed to do so. The labourers could be legitimately expected to obtain their own food from the resources of the island - the unlimited supplies of fish, the birds, coconut crabs, turtles, and the fruit of the 111 bearing coconut trees. It would be desirable, however, to supplement this, at any rate at first, with a strictly limited daily ration of unpolished rice per family. On the advice of the native delegates and
others

others I recommend that each of the 14 labourers should receive a nominal wage of say £1 per month recoverable, if desired, from the islands concerned. The native is unfortunately not so public spirited that he will plant land for strangers without remuneration and the payment of a small salary will enable the Government to insist on the work of planting being done. The payment will, furthermore, prevent the labourers acquiring rights over the lands planted, which they would otherwise possess in perpetuity in accordance with Gilbertese custom. I would suggest that the overseer should receive a salary of £36 per annum and, should he not be an Onotoa or Arorae native and therefore directly or indirectly interested in the venture, the usual issue of Government rations.

It is recommended that a 10,000 gallon cement storage cistern should be erected on this island for emergency use. Sufficient corrugated iron sheets should be sent to roof the labourers' dwellings, as there are no pandanus trees and not enough coconut leaves for thatch making. The houses would at the same time form a catchment area for the cistern. Except for the roofs, all the houses can be constructed from materials on the island itself. A rat proof container would, however, have to be built for the rice and other stores.

As the island becomes gradually planted up and the trees come into bearing free settlers from Onotoa and Arorae would be allotted areas and the labourers, having finished their work, could either stay on as permanent settlers or return home. In such fertile soil it should take about four years for the first tree to bear. Although the labourers should complete their work of planting within a year it would be necessary for at any rate some of them to stay on to look after the plantations

of immature trees as without such after care they would take longer to bear and the percentage of failures would be far greater.

Canton Island. I would urge that an attempt be made to colonize this island also. It has the best anchorage in the Group and the best landing. Probably nowhere else in the Colony are fish so plentiful. The delegates were satisfied with the water, which they considered better than that on Hull. Any scheme of settlement must, however, be in the nature of an experiment, as we are necessarily working with two practically unknown factors - soil and rainfall. As has been explained before, the soil, while not the rich mould of Gardner Island, is yet definitely darker and richer than the soils of Sydney, Hull, or the Gilbert Islands. It may possibly, therefore, prove unfavourable for coconut cultivation. Against this, however, is the fact that the few coconut trees which are growing on the island are mostly situated in the middle of the land area, and are growing straight out of the typical brownish soil. They appear, furthermore, to be doing well.

I have already explained my reasons for believing that the island has at present a very small rainfall. In my main report I have, however, detailed the contention of the delegates that were the islands planted systematically the trees would provide the shade required to keep the ground moist and cool, which would in turn reduce the heat radiation and result in a rainfall similar to the Gilbert Islands. I have little doubt that this would be the case provided a sufficient number of palms reached maturity to decrease heat radiation. The phenomenon of increased rainfall following tree planting has been observed elsewhere and must have taken place in both the Gilbert and Ellice Groups when they were first planted.

My own opinion is that certain areas, notably that covered in *Scaevola* scrub, will almost surely be found suitable for coconut palms and that there is a distinct possibility that the whole island will be found to be plantable. Should there be no actual drought in the Central Pacific area during the next few years I believe, furthermore, that the present normal rainfall on the island will be sufficient to bring the trees to maturity. The trees belong to J. Arundel and Co. were planted, I understand, in 1886 and would consequently have had the drought of the early '90s to contend with while they were still immature, which would account for their not having flourished.

The island is a very large one and, if coconuts eventually did well there, should support a correspondingly large population. My own estimate of a possible 1,200 is modest when compared with that of the Arora delegates, who considered that the island could support 3,000. If any of the areas which the delegates considered favourable for coconut growing eventually prove unsuitable the estimate will, of course, have to be correspondingly reduced. In any case I consider that it would be a great pity not to make an experimental settlement of Canton although the result of the attempt must be largely unpredictable. Apart from other reasons, should Canton Island become, in the future, an air base on a trans Pacific route the importance can be readily seen, from an Empire point of view, of having a settled permanent population on the island.

I recommend, therefore, that 10 labourers in charge of two older men and a Government appointed overseer should be sent from Beru Island to Canton. I am not in favour of the labourers being accompanied by their families, as Canton is not, at the moment, a very suitable

place

place for women and children. I recommend that they should be given nominal wages, as in the case of the Gardner Island labourers, and full rations with the exception of meat or fish. The overseer should be paid and rationed as for Gardner Island. A supply of lemon juice or other anti-scorbutic would have to be taken and issued regularly and the natives compelled to eat the portulacca, known to them as "te boi", which grows readily all over the island.

A 10,000 gallon storage cistern should be erected for emergency supply and sufficient corrugated iron sheets would have to be sent for roofing the labourers' houses and providing a catchment area. All materials for house building will have to be provided as there is no local timber available. The labourers, however, could live together in a single building which should be large enough to provide sufficient catchment surface. The procedure of planting, after care, etc, would be the same as for Gardner though, as the land is already cleared, the actual planting should be a very much more rapid process.

Part II. Scheme for partial settlement of Hull and Sydney Islands.

7. In a recent discussion with His Excellency the High Commissioner, Mr. James Burns, the Chairman of Directors of Messrs. Burns, Philp and Co. Ltd., offered to enter into negotiations with the Government with a view to handing over certain unplanted areas on Hull and Sydney Islands, together with the whole of the unplanted islands, for the use of free settlers. As a result of visiting these islands I do not consider that Mr. Burns' suggestion is a practicable one, for the following reasons:-

(a) The

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- (a) The islands are too small for both free settlers and a private company to make a living;
- (b) The best lands are already planted and only inferior areas would be available for the settlers;
- (c) There is only one possible site for a village on either Hull or Sydney and in each case this is situated in the middle of the planted area;
- (d) The only part of the islands where even moderately fresh well water is obtainable is in the west and north-west of Sydney and the west of Hull. These areas are again in the centre of the existing plantations.

I do not believe that anyone who had actually been over Hull and Sydney Islands would consider that a scheme of partial settlement could prove successful, as the numbers of free settlers who could be sent would be very small, and their administration at such a great distance from the nearest permanent settlement would result in a constant drain on the Colony's finances altogether disproportionate to any benefit that would accrue to the native community. I was informed by Mr. J.W. Jones, who works the existing plantations on Hull and Sydney, that he was not prepared to carry on if free settlers were introduced by the Government, as they would inevitably be reduced to stealing their food from his trees. I do not think that Mr. Jones' fears are exaggerated.

8. Proposals have also been made by Messrs. Burns, Philp and Co., Ltd. at one time or another, to:-

- (a) Allow a few settlers to live on Hull and Sydney Islands with a view to employing them as labourers;
- (b) Import settlers to work the islands on a half-share basis.

In my opinion neither of these schemes would prove

successful

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successful. Not more than 20 families on Hull and 15 on Sydney would be required by Messrs. Burns, Philp under scheme (a), and every additional family above these figures would result in a corresponding reduction in the copra output, and therefore profit. The Government would have to insist that each family be allotted a parcel of already planted land sufficient to maintain themselves without the necessity of working as labourers; for no administration could tolerate the establishment of a group of semi land-less exiles living at the mercy of a private company. Government supervision would have to be thorough and constant and could only be maintained at great expense. Finally, the scheme would offer no real solution towards the problem of relieving the over-population in the Gilbert and Ellice Islands.

It is doubtful if either the natives or Messrs. Burns, Philp would be content to work under scheme (b) for long. If the settlers had to produce a surplus of copra sufficient both for themselves and the Company they would have to be given very large holdings of land per family, with a corresponding reduction in the number of natives which the island could support. In this connection it should be remembered that, as a native family eats a certain proportion of the coconuts grown on their land, the surplus available for export is not normally very large except in the case of rich families. There would, I am convinced, be incessant friction if any half-share scheme was adopted, with the same necessity for close Government supervision as in the case of the other proposals.

9. I would urge, therefore, that no scheme for the colonization of the Phoenix Islands is likely to prove successful unless the Government is able to obtain the whole of both Hull and Sydney Islands for the free use

of the settlers. There is a clause in the original licence granted to the Samoa Shipping and Trading Company Ltd. by which land required for public purposes may be resumed by the Government. Should, however, it not be desired to take advantage of this right I would suggest that it would be worth while purchasing, from Messrs. Burns, Philp and Co., Ltd., the remainder of their lease over the islands. These islands can be worth practically nothing to the Company and their rights could, presumably, be acquired for a nominal sum.

In view of the experimental nature of the scheme for the settlement of Gardner and Canton Islands it must be regarded as a purely subsidiary part of the project for the colonization of the Phoenix Group and I do not recommend that it be proceeded with unless Hull and Sydney can be obtained for colonization purposes. Unless we can look forward with reasonable certainty to being able ultimately to provide for a population of at least 2,000 in the Phoenix Group the expenses of administration would tend to outway the benefits to the native community.

Part III. The choosing of settlers.

10. It remains now to deal with the actual choosing of the settlers and the details of the settlement scheme. I should like to state here that I believe it to be vital to the success of the scheme of settlement that from its inception it should be under the charge of a full-time officer who should be responsible for carrying out the undertaking in all its multifarious details. However carefully the scheme may be worked out in advance I consider that its ultimate success will depend on whether the Government is prepared to second an officer, conversant with the Gilbertese and their language and trusted by them,

to work out the practical problems involved in the undertaking and carry it to a successful conclusion. It would appear to be important, furthermore, that the same officer should be primarily responsible for the whole organisation of the undertaking, from the first choosing of the delegates to their final establishment in their new homes. The remainder of this letter is based on this assumption.

The Ellice Islanders and migration.

11. As a result of my visit to the Ellice Islands, supplemented by several conversations with the delegates taken from Nanumea and Niutao, I am of the opinion that the views of the Ellice Islanders with regard to the migration scheme are materially different from those of the Gilbertese. On most of the Ellice Islands there are families who are anxious to be allowed to settle in Fiji, but they are far too comfortably off to exchange their lot for the hard life of a pioneer settler on an isolated atoll. On Nanumea, where the inhabitants had been complaining of land shortage, only four natives stood up and stated that they were willing to migrate to the Phoenix Islands. On Niutao alone was any enthusiasm shown for the proposal but even here the natives were only anxious to settle on Christmas or, at the worst, Hull Island, and on certain definite conditions. They were not willing to consider planting and colonizing a new island but desired that the whole of Hull Island should be made over for their use. They made it clear that they had no intention of giving up their rights to their lands on Niutao when they emigrated and the impression that I gained was that they regarded Hull, or any other island which they might acquire, as a place where the young men could be sent to exploit the plantations for the benefit of the home island. I do not believe

believe that their land hunger, while real, is nearly so intense at the present time as that of the Gilbertese and, in view of the fact that there is room in the Phoenix Group for only a limited number of settlers and it would be obviously unfair to hand over either Hull or Sydney to a handful of Ellice Islanders, I recommend that they be left out of the present colonization scheme. After investigation I have come to the conclusion that it would be quite impossible to mix the Gilbertese and Ellice people together on one small island, and this is the view of the Ellice Islanders themselves. The Ellice people, furthermore, lack to a large extent the adventurous spirit of the pioneer and, in view of their more comfortable circumstances, this is not surprising; I do not believe, therefore, that they would be happy in the Phoenix Islands for long even if sent there. Fanning, Washington, or Christmas, would appear to offer far more suitable homes for the 100 to 150 families who might be willing to migrate from the Ellice Group and I recommend that their claims should be considered in due course in connection with these islands. Failing this, it might be possible to purchase some of the untenanted lands in the Southern Ellice Group itself for their use. In this connection I would quote from the Colony Annual Report for 1924-25, -

"..... there is a great deal of spare coconut-producing land in the large and thinly populated Ellice Islands.

As a general rule the islands of the Ellice Group have but a single village each, and the only lands worked are those which lie within convenient walking distance of such settlements. Large tracts on several atolls are left untouched by the owners, and many tons of copra are thus annually wasted".

The choosing of the Gilbertese settlers.

12. It has been recommended that Beru Island should colonize Hull and that Sydney should be open to settlers from all other islands. Of the two experimental islands

islands it is proposed that Onotoa and Arorae should provide the labourers for Gardner, and Beru those for Canton. Beru is easily the most enthusiastic island concerning the possibilities of Canton and is more likely to make a success of the planting scheme than any other island; ^{but} in view of the fact that they already had Hull, no guarantee should be given them that they would be the only island eventually allowed to settle Canton. With regard to Sydney, while I agree that it would be preferable not to mix different communities on the same island, in this case it would appear to be the only way to allow some, at any rate, of the needy on all islands to have a chance of emigrating. Provided the settlers are carefully selected and well mixed, only a few natives being taken from each island, there is no reason to anticipate any trouble. The people of Onotoa and Arorae are traditionally friendly and should work well together.

13. Allowing an average of four persons per family it should be possible for approximately 85 families to colonize Hull from Beru. I recommend that the officer in charge of the project should proceed to Beru some months before the settlement is due to commence and prepare a list of every family wishing to emigrate. The material circumstances of each family should then be enquired into and the number in each group compared with the amount of land owned. From this survey it should be possible to make a rough selection of the 85 poorest families on the island, care being taken to distribute the numbers between the seven villages and three village districts. Not more than one family should be taken from each kinship group. This method of selection, while admittedly rough and ready is, I am convinced, the only practicable one.

The same method could be employed when choosing
the

the settlers for Sydney Island but in this case it would be necessary to establish beforehand the maximum number which could be taken from each island. The following scheme of distribution is based on the estimated extent of poverty on each island, Onotoa and Arorae having a smaller share than would otherwise be allotted them as it is more than probable that the Gardner Island experiment will prove successful:-

Maiana	10 families
Nonouti	20 families
Tabiteuea	20 families
Nikunau	20 families
Onotoa	10 families
Tamana	10 families
Arorae	<u>10 families</u>
<u>Total - 100 families.</u>	

The Northern Gilbertese have been left out of the scheme as it is possible that they would not mix well with the Southerners.

No difficulty should be experienced in selecting the labourers for Gardner and Canton Islands, which would be done by the natives themselves subject to the approval of the officer in charge of the scheme.

14. In order that the migration scheme shall contribute towards the solution of the problem of land hunger and over-crowding in the Gilberts, it will be necessary for the emigrants to abandon all rights over their lands on their old islands. This is insisted upon by the Gilbertese themselves, who state that a family which settles in the Phoenix Islands will be treated in the same way as if they had drifted away and been lost at sea - "mauna i marawa", - i.e. their lands will be divided up amongst their next of kin as if they were dead. Since, however,

however, there are bound to be some Gilbertese who will become discontented in the early stages of settlement and desire to return, I recommend that any native who abandons his lands in the Phoenix Islands and returns home within seven years of his first arrival in the Phoenix Group shall be entitled to resume his former land rights in the Gilbert Islands.

Part IV. Details of the Settlement scheme.

Basis of land distribution.

15. I would suggest that some months before the actual settlers are sent the officer in charge of the scheme should proceed to Hull and Sydney and divide the planted land into plots of approximately equal size, in no case containing less than 100 bearing coconut trees. The village areas should ^{be} demarcated at the same time, and sites selected for churches, maneabas, schools, hospitals, cemeteries, Native Government stations, and transit quarters. It would avoid incessant friction later on if a qualified surveyor could accompany this expedition and record the boundaries of each plot. Having completed this the party should, if time permits, proceed to divide up the unplanted land into convenient blocks as nearly as possible equal in size. The whole work should take about two months on each island.

16. When the actual settlers arrive the blocks of planted land should be divided amongst them on the strict basis of one block to each settler. Thus if a family consisted of a man and his wife, they would receive two blocks, whereas if they were accompanied by two children, the family would receive four blocks. This is the basis of distribution, known as "te are ni katanguina", suggested by the Gilbertese themselves, and is, I believe, likely

likely to cause less trouble than any other. As the areas nearest the villages would be the most sought after the actual distribution of blocks should be by lot. A block of unplanted land should be given at the same time to each adult settler, on the understanding that he or she will plant it for the benefit of some member of his or her kinship group still in the Gilbert Islands, who will be sent for when the trees come to maturity. I would urge that all land should be given to the natives freehold, subject to the proviso that unplanted land not planted within a reasonable time - say five years - should revert to the Government. All planted and unplanted land not required for distribution to the settlers should be held by the Government for the benefit of future colonists, and all village sites, cemeteries, roads, etc., should be regarded as being the property of the Government held on behalf of the community. A good tract of land around each village should be held by the Government as communal village land.

Once the land has been given to the settlers it would be inherited and conveyed in accordance with Gilbertese custom.

Social and political organization of the settlements.

17. After having considered the subject from every aspect I have come to the conclusion that the settlers should be under the control of their own Native Governments precisely as on their former islands. The key men, on whose tact and ability the peace and happiness of the communities will largely depend, will be the two Native Magistrates. I have little doubt, however, that suitable candidates for these difficult positions can be found in the Gilbert Islands, as several Native Government officials and even Magistrates will, no doubt, be anxious to emigrate.

Besides

Besides the usual Native Government staff it will be necessary to station a carefully selected Native Dresser on each island in charge of the local hospital.

The following table gives the estimated annual cost of local administration on each island:-

Personal Emoluments -

Native Magistrate	£12. 0. 0.	
Chief Kaubure	10. 0. 0.	
Scribe	10. 0. 0.	
Chief of Police	9. 0. 0.	
Warder	6. 0. 0.	
Wardress	4. 0. 0.	
Village Policemen, 4 at £4	<u>16. 0. 0.</u>	£67. 0. 0.

Other Charges -

Stationery	£3. 0. 0.	
Kerosene, Soap, Disinfectants	5. 0. 0.	
Upkeep of Hospital Buildings	4. 0. 0.	
Upkeep of School Buildings	4. 0. 0.	
Incidentals	<u>3. 0. 0.</u>	£19. 0. 0.
		<u>£86. 0. 0.</u>

This gives a total expenditure, from Head XIX, Island Administration, of £172 per annum for the two islands.

The Native Dressers would be paid from the Medical vote, their actual salaries being somewhere between £12 and £48 per annum. It is suggested that a block of planted land adjacent to the village should be reserved for the Dresser on each island. Provided this is done they should

should manage comfortably on a ration allowance of £15 per annum. The following is an estimate of the cost of the provision of local medical facilities on each island:-

Personal Emoluments -

Native Dresser (£12-£48) say £30. 0. 0. £30. 0. 0.

Other Charges -

Ration allowance	£15. 0. 0.	
Drugs and Instruments	<u>£20. 0. 0.</u>	<u>£35. 0. 0.</u>
		<u>£65. 0. 0.</u>

The hospital and Native Dresser's quarters would be built by the colonists from local materials.

The Administrative Control of the Phoenix Islands.

18. While there are many difficulties connected with the present colonisation scheme, probably none is harder to solve than the problem of how to provide for the administrative control of the islands. If the project is to prove a success it is essential that it should be under the close supervision of an Administrative Officer and yet, separated as the Group is by at least five days sailing from the nearest other island in the Colony, it falls within the limits of no District. At first sight it would seem clear that the eight islands should form a District of their own, under an Administrative Officer living on say Hull Island. I enclose, however, an estimate of the total annual revenue which we may ultimately expect to receive from Hull and Sydney Islands, which shows that the District cannot afford to pay the salary and expenses of an Administrative Officer. Even when the two islands are fully planted the total copra production is unlikely to exceed 250 tons, which should, if my calculations in

Enclosure 1.

Enclosure I

Enclosure I are correct, result in a revenue of approximately £519 per annum, the corresponding local expenditure being £312. The Government would therefore have a balance of £307 towards headquarters expenses etc., which is a sum patently insufficient to maintain a District Headquarters in the Group. The Gardner and Canton Islands project are too much in the nature of experiments to base any estimates of revenue on at present, but should they prove successful the figures given in the enclosure could be doubled. It is recommended that Hull and Sydney Islands should be exempt from copra tax for the first two years of settlement and that after that period the tax should be payable at half rates only for the next five years. The final assessment of 25 tons for the two islands is based on the tax paid by islands with a similar population and copra production in the Gilbert, Ellice, and Tokelau Groups.

19. I have given the most careful consideration to the question of administrative control and as a result I still consider that the only satisfactory solution is one which was suggested to me several months ago, i.e. that this Colony should again take over the administration of the Tokelau (or Union) Islands. I have already discussed this proposal in all its aspects with His Honour and it is only necessary to deal with it very briefly here.

The Tokelau Islands were ceded to Great Britain in 1914, at the request of the native inhabitants, and added to the Gilbert and Ellice Islands Protectorate. At first a District Officer (Mr. MacDermott) was stationed there, but later the islands were administered from Funafuti in the Ellice Group. As there was no Port of Entry in the Tokelau Group after the removal of the District Officer,

difficulties

difficulties arose with regard to the collection of customs duty and the New Zealand Government was asked to take over the administration of the islands. This they were unwilling to do but they agreed to collect the customs duty in Apia and forward it to the High Commissioner. As this arrangement did not prove altogether satisfactory they at length agreed to take over the administrative control of the Group, which was disannexed in 1925.

I understand that the Tokelau natives, who are virtually identical in race and language with the Ellice Islanders, are most anxious to be once again included within the boundaries of this Colony, and Mr. J. W. Jones, on Hull Island, told me that his labourers were overjoyed at coming under our administration. Although their taxation is considerably higher than it was under this Colony, the New Zealand Government is naturally unable to give them anything like the same administrative benefits. As far as can be ascertained, the islanders are left more or less to themselves, except for a brief visit from a warship once a year with an official from the Samoan administration on board. It would not appear that there would be much difficulty in obtaining these islands from the New Zealand Government, which was never anxious to have them in the first place.

20. I have prepared an estimate of the annual revenue and expenditure of the Tokelau Islands, based on figures supplied by the New Zealand Government, from which it will be seen that the revenue would amount to approximately £815 as against an expenditure of £358, leaving a balance of £457. This, added to the estimated balance from the Phoenix Islands, would result in a sum of at least £750, which should be sufficient to justify the stationing of a resident Administrative Officer in charge

Enclosure II.

of the two Groups, together with a Native Medical Practitioner. Should the Canton and Gardner Islands experiments prove successful, the balance would be well over \$1,000. The distance between the Phoenix and Union Islands is only 260 miles and, as the Groups lie due north and south of each other, they could be easily controlled by an Administrative Officer with headquarters in one or the other Group and visiting the various islands in a small inter-island boat, such as the one at present being built by Mr. D.G. Kennedy for the Ellice Islands District. It would not be possible to administer the islands in a similar manner from the Ellice Islands since, owing to the fact that the Phoenix and Ellice Groups lie due east and west of each other, it would be impossible to obtain a fair wind when proceeding from the Ellice to the Phoenix Islands.

21. It is urged, therefore, that every effort should be made to ascertain whether the Tokelau Islands could be again administered by this Colony, not only for the sake of the islanders themselves but since it would be of material assistance towards the efficient administration of this Colony itself. The stationing of a resident Administrative Officer in charge of the two Groups would enable a Port of Entry to be established in the Union Islands, thus doing away with the sole reason for transferring the Group to New Zealand. At the same time the settlers on Hull and Sydney Islands would be able to get better shipping services and a more advantageous price for their copra, since it would be shipped as at present direct to Samoa, together with the copra from the Tokelau Group. Furthermore, while both Groups would be efficiently administered for the first time in their history the extra cost to this Government would be less than the cost of administering the Phoenix Islands alone from a base in the

Gilbert or Ellice Group. As far as Colony headquarters are concerned, there is virtually no extra cost involved in administering 37 rather than 34 islands.

22. I realize, however, that it may prove impossible to adopt the proposal detailed above, in which case I recommend that the Phoenix Islands should be placed not within any existing District, but under the direct control of the Native Lands Commissioner, Gilbert Islands. Of the two Districts in the Gilbert Group the Northern and Central contains 9 islands and 12,955 natives and the Southern 7 islands and 14,367 natives, while the average District in the Solomon Islands Protectorate contains approximately 10,000 persons and in Fiji 8,600, communications, at the same time, being infinitely worse in this Colony. It is not surprising, therefore, that in neither of these Districts are the outlying islands adequately administered from headquarters as it is and, in my submission, it would not be in the interests of the settlers to have their islands added on to a District which it is already difficult to cope with. The vast majority of the problems concerning the new District will be land difficulties such as can be best dealt with by the Lands Commissioner and, at the same time, he is the one official who is in a position to leave the Gilberts and visit the District when opportunity occurs. The occupant of the post of Lands Commissioner will always be a member of the Colonial Administrative Service so there would be no difficulty in assigning the District to his care.

23. Should this proposal also be considered impractical, I would suggest that the Phoenix Islands should be included within the Southern Gilbert Islands District, whence the vast majority of settlers will come. As the colonists will be all Gilbertese, it would not be

feasible

feasible to include them within the Ellice Islands District, and the Central Gilberts District is probably too far away, apart from the fact that the Administrative Officer is unable to leave the Tarawa Port of Entry for long periods. It must be remembered, however, that it will be necessary to visit the Phoenix Group not less than twice a year, that it is at least 5 days sail from Beru to the nearest Phoenix Island, and that even a short stay in the Group will necessitate an absence from the Southern Gilberts of at least a month.

Stages of Settlement.

24. It is suggested that the colonization scheme should be carried out in two stages. The first expedition would consist of the officer in charge of the undertaking, either the Foreman of Works or a Senior Artisan such as Mr. J. Pedro, and 20 labourers, accompanied if possible by a competent Surveyor. The expedition would take cement and other materials necessary to construct the 5 storage cisterns, and a supply of fresh water in drums for emergency use while the party was on the islands. Owing to the small cargo carrying capacity of H.M.C.S. "Mimanoa" it would be clearly impossible to use her for transporting the cement, but it should be possible to charter a small vessel, such as the s.s. "Moama" or s.s. "John Bolton", for the purpose. The chartered ship would proceed to each of the 4 islands in turn, discharging the cement, etc., the personnel of the expedition disembarking at the last island. It would then be necessary for the Colony vessel to take them from island to island on the completion of their work of surveying and marking out the blocks of land, constructing the cisterns, sinking further wells, planning the village sites, and generally preparing the island for the settlers. The expedition would probably require some

two months each on Hull and Sydney and two weeks each on Canton and Gardner to do the work properly. It would not, of course, be necessary for the "Nimanoa" to wait in the Phoenix Group all this time as it could be engaged on other work while the party was on each island. If the chartered vessel left for the Phoenix Islands about the month of June the work should be completed well before the commencement of the rainy season.

25. On his return to the Gilbert Islands the officer in charge of the expedition would proceed to select the future settlers, as in paragraphs 12 to 14, and satisfy himself that they were ready to leave for their new homes. For the final expedition, which will involve the transporting of some 750 persons, together with their belongings, seed coconuts, pandanus cuttings, etc, it will be necessary to charter a ship of some 3 - 4,000 tons, such as the British Phosphate Commissioners' s.s. "Nauru Chief". The chartered vessel would pick up the colonists and drop them on Hull and Sydney, the officer in charge of the scheme disembarking at the latter island, where he would remain in order to assist the colonists during the initial stages of the settlement. I would suggest that H.M.C.S. "Nimanoa" should be detailed to take this officer from island to island during the first few months, since it is during the early stages of the project that difficulties may be expected and the guidance of an European will be imperative. The labourers, who would be dropped on Canton and Gardner Islands at the same time as the settlers were taken to Hull and Sydney, should be also visited from time to time.

26. The dividing of the settlement scheme into two stages has certain obvious advantages. It will enable the actual colonization to take place after the
rainy

rainy season, when the weather is likely to be set fair and the landings smooth. At the same time the settlers, on their arrival at their future homes, will find their land ready for them and the emergency cisterns full of water stored during the rainy months from November to March. The admittedly unlikely event of the wells proving, at times, undrinkable could thus be faced with equanimity.

I recommend, therefore, that the final settlement should take place about May or June and that, immediately on arrival, the settlers should be given their blocks of land and should proceed at once with the building of their homes and, later, the construction of the village church, Government station, and other public buildings.

The provision of coconuts, etc. for planting.

27. It will be necessary to provide a large quantity of pandanus cuttings and "babai" roots for planting on all four islands, as there is no babai and but little pandanus at present on any island. It will, furthermore, be necessary to purchase some 100,000 seed coconuts in the first instance for planting on Canton and Gardner Islands. Mr. D.G. Kennedy has recommended that all coconuts for planting should be obtained from the District of Fetatau, on Nukufetau Island in the Ellice Group. These nuts were originally obtained by Messrs. Burns, Philp and Co., Ltd. from the Solomon Islands and are superior to any other type seen in this Colony. They will grow anywhere, give a better yield of larger nuts, and come to maturity, even on Nukufetau, in the short space of five years.

It is recommended that each settler should be urged to take as many pandanus cuttings and "babai" roots with him as he can obtain and that, if necessary, this should be supplemented by Government purchase. The details of this proposal can best be worked out when the time comes

but

but I estimate that the sum of £100 should easily cover all Government expenditure under this head. The planting of the unplanted land on Hull and Sydney Islands would, of course, be done with seed coconuts from the already planted areas.

Maintenance of communications.

28. Once the actual scheme of settlement has been completed the most difficult problem which the Government will have to face will be the maintenance of communications with the District. If the Tokelau Group is again joined with this Colony the trouble would, of course, largely vanish, as the trading vessels and a.s. "John Williams" would include the Phoenix Group in their usual round to the Tokelau Islands. If, however, this is not possible I would suggest that the Administration should do its utmost to provide the infant settlement with at least four contacts a year with the rest of the Colony. It is realized that H.M.C.S. "Nimanea" cannot be exclusively relied upon for this purpose, as she is unable to fulfil anything like the demands made on her at present. Communications, however, might be maintained somewhat as follows:-

A trading vessel - 1, or possibly 2, visits per annum.

A Warship - 1 visit per annum.

The a.s. "John Williams V" - 1 visit per annum.

H.M.C.S. "Nimanea" - 1 visit per annum.

Should one of the other ships not be able to visit the Phoenix Islands during any year it might be possible for the Colony vessel to make two trips.

Cost of settlement scheme.

29. An estimate of the total cost of the scheme forms Enclosure III to this letter. It is fully realized

realized that this estimate is far from being exact and that the figures will have to be considerably modified should the general scheme be approved; at the same time it gives an approximate idea of the total outlay involved in the project. Of the estimated total cost of £5,600 approximately £1,600 may be set down to expenses involved in the Canton and Gardner Islands schemes leaving a total of £4,000 which may be fairly debited to the cost of settling the 750 settlers on Hull and Sydney Islands. As this works out at just over £5 per head I think it may be considered as very reasonable. I would earnestly recommend that the whole of this cost should be borne by the Colony, especially in view of the fact that the Phoenix Islands, once settled, will become a valuable and permanent source of taxation. Should, however, it be considered necessary to recover part, at any rate, of the expenditure from the natives who more particularly benefit from the undertaking, it is suggested that this should be done by means of:-

- (a) An increased copra levy, in the nature of rent, from the settlers themselves; supplemented by
- (b) A temporarily increased copra tax on the islands providing the colonists, assessed on a proportionate basis according to the numbers actually emigrating from each island.

A detailed scheme, by which the whole or any proportion desired of the expenditure may be recovered, can be submitted if desired.

After the first year the only cost to the Government would be the maintenance of a skeleton staff of labourers on Canton and Gardner Islands which should not exceed a maximum of £500 for a period of 4 - 5 years. This sum also could be recovered, if desired, from the natives

of Beru, Onotoa, and Arorae Islands.

Part V. Conclusion.

Recapitulation of Proposals.

30. The main proposals and recommendations made in the course of this report are summarized below:-

It is recommended that:-

1. Hull and Sydney Islands should be settled immediately with 350 and 400 colonists respectively, (para. 6);
2. Hull Island should be colonised by the natives of Beru, and Sydney Island by settlers from 7 islands in the Central and Southern Gilberts, (paras. 6, 12, and 13);
3. Canton Island should be planted by the natives of Beru, and Gardner Island by those of Onotoa and Arorae, (para. 6);
4. The Ellice Islanders should be left out of the present settlement scheme, (para. 11);
5. Fourteen labourers should be sent to Gardner and twelve to Canton for planting, each group being in charge of an overseer, (para. 6);
6. The labourers should receive nominal wages only, with limited rations, (para. 6);
7. Cement storage cisterns, with the necessary catchment areas, should be constructed on each island, for emergency use, (para. 6);
8. No scheme for the settlement of the Phoenix Islands is feasible unless the whole of Hull and Sydney Islands are available for settlement purposes,

- purposes, (paras. 7 - 9);
9. An officer, conversant with the Gilbertese, should be in charge of the settlement scheme from its commencement, (para. 10);
 10. The colonists should be selected by the officer in charge on a rough basis of comparative need, (paras. 12 and 13);
 11. A condition of being selected should be the abandonment of all claims over lands in the Gilbert Group, (para. 14);
 12. The planted land on Hull and Sydney Islands should be divided into blocks of not less than 100 bearing trees, each settler to receive one block together with a portion of the unplanted land, (paras. 15 and 16);
 13. Native Governments should be established on both Hull and Sydney Islands, with a Native Dresser in charge of each Island Hospital, (para. 17);
 14. An examination should be made into the possibility of joining the Tokelau Islands to the Phoenix Group and placing the District under the control of a resident Administrative Officer, assisted by a Native Medical Practitioner, (paras. 18 - 21);
 15. Failing the above proposal, the Group should constitute a District under the direct control of the Native Lands Commissioner, Gilbert Islands, or should this also prove impossible, it should be included within the boundaries of the Southern Gilbert Islands District, (paras. 22 and 23);
 16. The settlement scheme should be carried out in two stages, (para. 24);
 17. The first

17. The first expedition should construct the cisterns, demarcate, and if possible survey, the blocks of land, and prepare the islands for the final colonization, (para. 24);
18. The second expedition should transport the settlers to their new homes, (paras. 25 and 26);
19. The settlers should be given their land freehold, to be inherited and conveyed in accordance with Gilbertese custom, (para. 16);
20. The settlers should take their own pandanus cuttings and "babai" roots for planting, to be supplemented, if necessary, by government purchase, (para. 27);
21. Coconuts, etc., for planting should be purchased by the government for Canton and Gardner Islands, (para. 27);
22. The government should bear the cost of the settlement project but that, should this be considered undesirable, it should be recovered by an additional copra tax on the newly settled islands supplemented by a temporary copra levy on the islands from which the settlers have come, (para 29).

Conclusion. 31. Before concluding I should like to again stress the great importance of proceeding with the settlement scheme as soon as possible. It is difficult at headquarters to realize the enthusiasm which the Government's proposals have aroused throughout the Gilbert Islands. The scheme is almost unique in that it has come direct from the people, in response to what is probably their most

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their most heart-felt need. Sceptical at first, the recent expedition to the Phoenix Islands has convinced the natives that the Government does really mean to assist them. As a consequence, the popularity of the Government is higher than it has ever been since the days of Mr. W. Telfer Campbell. It cannot be too strongly stressed, however, that the present general feeling of confidence in the intentions of the Administration makes it all the more imperative that some scheme for assisting the poorer classes to migrate to the Phoenix or other islands should be proceeded with at the first possible opportunity.

I have the honour to be,

Sir,

Your obedient servant,

(Signed). H. E. Maude.

Commissioner for Native Lands,

Gilbert Islands.

Enclosure I.

Estimated Annual Revenue and Expenditure of Hull and Sydney Islands.¹

REVENUE

Customs	Import dues (average of 12½ per cent) ²	£52. 0. 0.
	Export duty on copra (187 tons at 15/-) ³	140. 0. 0.
Taxes	Native Taxes (Tax copra 25 tons) ⁴	312. 0. 0.
	Native Fines	20. 0. 0.
Licences etc.	Licences	65. 0. 0.
	Capitation Taxes	- - -
Miscellaneous	Sundry receipts (Miscellaneous fees, sale of stamps, etc.)	<u>20. 0. 0.</u>
		<u>£619. 0. 0.</u>

EXPENDITURE

Island Administration	Native Government	£172. 0. 0.
Medical	Salaries and ration allowances	90. 0. 0.
	Drugs and Instruments	40. 0. 0.
Miscellaneous	Miscellaneous expenditure	<u>10. 0. 0.</u>
		<u>£312. 0. 0.</u>

Notes:-

¹ Based on an ultimate coconut production of 250 tons, including proportion consumed locally.

² Value of imports estimated at two thirds the value of exports (187 tons copra at £4 per ton = £748) based upon copra being sold to traders at £4 per ton.

³ Average of ½ of coconut production being consumed locally.

⁴ At £10 sterling per ton plus exchange.

Estimated Annual Revenue and Expenditure of the Union Islands.¹REVENUE

Customs	Import dues (average of $12\frac{1}{2}$ per cent) ²	£113. 0. 0.
	Export duty on copra (340 tons at 15/-)	255. 0. 0.
Taxes	Native Taxes (Tax copra 25 tons) ³	312. 0. 0.
	Native Fines	20. 0. 0.
Licences etc.	Licences	75. 0. 0.
	Capitation Taxes	10. 0. 0.
Miscellaneous	Miscellaneous receipts (Miscellaneous fees, sale of stamps, etc.)	<u>30. 0. 0.</u>
		<u>£815. 0. 0.</u>

EXPENDITURE

Island Administration	Native Government	£163. 0. 0.
Medical	Salaries and ration allowances	135. 0. 0.
	Drugs and Instruments	50. 0. 0.
Miscellaneous	Miscellaneous expenditure	<u>10. 0. 0.</u>
		<u>£358. 0. 0.</u>

Notes:-

- 1 Average copra export of 365 tons.
- 2 Value of Imports estimated at two thirds the value of exports (340 tons at £4 per ton = £1,360) based upon copra being sold to traders at £4 per ton.
- 3 At £10 sterling per ton plus exchange.

Estimated cost of scheme for settlement of the Phoenix Islands.

1.	20 labourers for cistern building, demarcating boundaries, etc. (para. 24). 5½ months at £1 per month each	£110. 0. 0.
2.	Rations for above	80. 0. 0.
3.	Wages of 14 labourers on Gardner Island for 1 year at £1 per month each	168. 0. 0.
4.	Partial rations for above	70. 0. 0.
5.	Wages of Overseer, Gardner Island, at £36 per annum	36. 0. 0.
6.	Rations for above	20. 0. 0.
7.	Wages of 12 labourers on Canton Island for 1 year at £1 per month each	144. 0. 0.
8.	Partial rations for above	216. 0. 0.
9.	Wages of Overseer, Canton Island, at £36 per annum	36. 0. 0.
10.	Rations for above	20. 0. 0.
11.	Provision of Storage Cisterns and catchment areas at Hull and Sydney Islands. 3 at £400	1,200. 0. 0.
12.	Provision of Storage Cisterns and catchment areas at Canton and Gardner Islands. 2 at £250	500. 0. 0.
13.	Hire of s.s. "Moama" or similar vessel for 1st expedition. 22 days at £30 per diem	660. 0. 0.
14.	Hire of 3 - 4,000 ton cargo vessel for second expedition. 35 days at £60 per diem	2,100. 0. 0.
15.	Purchase of seed coconuts, pandanus cuttings, etc, for planting	100. 0. 0.
16.	Miscellaneous expenditure	<u>200. 0. 0.</u>
	<u>Total estimated cost of scheme</u>	<u>£5,660. 0. 0.</u>

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