

Confidential.

20th December, 1937.

MEMORANDUM.

From:-

The Commissioner for Native Lands,
Gilbert Islands,
at Ocean Island.

To:-

The Acting Secretary to Government,
Gilbert and Ellice Islands Colony,
Ocean Island.

Notes on the employment of labour on Hull and
Sydney Islands.

I made no special enquiries on this subject and the following notes are merely what I gathered from casual conversations with Mr. J. W. Jones, who runs the copra plantations on those islands -

- (1). The islands are leased from the government by Messrs. Burns, Philp (S.S.) Co., Ltd., who have, in effect, sub-let them to Mr. J. W. Jones. Mr. Jones runs the venture on his own - recruiting and indenturing his own labour on his own terms, and purchasing his own stores, equipment, etc. Burns, Philp merely provide him with shipping facilities and guarantee him a minimum price of £4 per ton for any copra he may produce. This has now been raised to £4.10.0., as Mr. Jones was unable to make anything at the former price.
- (2). Mr. Jones employs Tokelau Islands natives, since these people have practically no market for their labour under the New Zealand administration and can consequently be obtained cheaper than any other labour in the

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Central Pacific. They are paid only \$1 per month. I do not know what rations they obtain but I should doubt if they are on the scale used in this Colony.

- (3). There are several unfortunate features about this unsupervised employment of foreign labour in this Colony. For example, I understand that when labourers are allowed to be accompanied by their wives, the women have to work $4\frac{1}{2}$ hours per day for no wages in order to receive their rations. The housing at Sydney Island, moreover, would not pass any regulations.
- (4). Unfortunately the labourers have no means of having any grievances aired and redressed. They are never visited by an Administrative Officer, other than their employer, and neither the Samoan nor this administration appears to take much interest in their welfare. No European officer was, I believe, present when their contracts, if any, were signed by them, to ensure that they understood and agreed to the contents.
- (5). I would urge the undesirability of an employer of labour on such an unsupervised island being appointed a Deputy Commissioner. While I am sure that in Mr. Jones' case the very wide powers which a Deputy Commissioner possesses over natives will be exercised with the most scrupulous discretion and impartiality, the system is clearly open to abuse; it cannot be forgotten that only a few years ago a number of natives from Hull braved the dangers of the open sea on a risky voyage in an open boat to Funafuti, in the Ellice Group, rather than remain any longer under their employer. Presumably Mr. Jones' judicial work will be confined to disputes with and between his own labour and he will need unusual powers of disinterestedness in order to rule, as a judicial officer, that an order of his given as an employer

as an employer is unreasonable or contrary to the labourer's contract. A native has little or no means of redress should he be punished by his employer, acting in his capacity of a Deputy Commissioner. Mr. Jones admitted to me that the fact that he was now a Deputy Commissioner and an Administrative Officer was of the greatest use to him in working his labour. This can be well believed, though Mr. Jones himself would, I know, be the last to take any unfair advantage of his powers.

- (6). Owing to their having contracted out, Messrs. Burns, Philp and Co., appear to stand to lose little if the venture proves unsuccessful. They have sunk little capital in it and can presumably withdraw should it suit them at any time. Mr. Jones has, I understand, spent about £350 of his own on the project.

At the same time neither Burns, Philp nor Mr. Jones can be making more than a few pounds per annum out of both islands. It is not considered worth while to develop the islands by planting and the venture is confined to the exploitation of the trees planted by previous concerns. It is estimated that a maximum of about 100 tons of copra in all will be exported from both islands. Out of a gross income of £450 there can be little enough margin for Mr. Jones and, after paying £450 for the copra, a Samoan Export Tax of £1.10.0. per ton, and providing shipping facilities, not much more for Burns, Philp. Mr. Jones, however, is relying partly on being paid a salary as an Administrative Officer of this Colony.

The impression I obtained was that the venture could be just run on the right side of the ledger provided this Colony was prepared to exempt it from customs dues, licences, capitation tax, and every other form of

form of taxation; and the promoters were free to employ what would be considered in this Colony underpaid labour without the restrictions imposed by King's Regulation No. 1 of 1915 on other employers. Mr. Jones admitted frankly that if he had to employ Gilbert or Ellice Islanders at the standard rates current throughout this Colony he would throw up the venture as being not worth it.

It would appear noteworthy that while the Hull and Sydney plantations contribute no revenue to this Colony, at the same time Messrs. Burns, Philp and Co., Ltd., pay, I understand, an export tax to the Government of Western Samoa on all copra exported from either island. According to the Pacific Islands Year Book the Samoan Government Export Tax amounts to £1.10.0. per ton, or more than the copra export tax from which they are exempted by this administration.

(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 make over certain unplanted lands on Hull and Sydney Islands to free settlers from the Gilbert or Ellice Groups. As a result of visiting these islands I am strongly opposed to this proposal, for the following reasons:-

- (a). The islands are too small for both free settlers and a private company to make a living;
- (b). The best lands are naturally planted and only second-grade areas are available for the settlers;
- (c). There is only one possible site for a village on each island and this is situated in the middle of the planted area;
- (d). There is only a limited area on each island where well water can be obtained and this is also in the centre of the plantations.

Mr. Jones

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Mr. Jones told me 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 plantations.

In my opinion the success of any project for the colonization of the Phoenix Group will depend on whether the government is prepared to acquire Hull and Sydney Islands, in their entirety, for settlement purposes.

(Signed). H. E. Maude.
