

I am of opinion that the various departments are largely overstaffed, and should be reduced as opportunity occurs to do so with the minimum of friction.

His Excellency the Governor of Samoa.—After having, as already stated, informed His Excellency the Governor of Samoa that I placed him under arrest, I permitted him to return to his residence under escort of an officer of my staff, in order to obtain such wearing-apparel and effects as he might require, and then caused him to be placed on board Transport No. 1 until the following morning, when he was again permitted to land under escort and attend further to his affairs, subsequently proceeding to Transport No. 2, in which ship he is now being conveyed to Suva, under escort of an officer of the 5th Regiment. I ordered that both on Transport No. 1 and Transport No. 2 His Excellency should be treated as an honoured guest and accorded every consideration.

Wireless.—I am informed by the Senior Naval Officer, New Zealand Division, that the wireless station at Apia could be heard tuning up after H.M.S. "Psyche" had sent in a flag of truce about 9.30 a.m., and only desisted on being ordered by the Rear-Admiral to do so. On my troops reaching the wireless station it was found that some essential parts of the engine which drives the dynamo had been removed and that some of the aerials had been tampered with. The aerials were immediately repaired, and we have been capable of receiving messages since the 30th August, but we have been unable to repair the engine, or, up to the present, discover the missing parts. The engine which was brought by the Expeditionary Force has, however, to-day been installed, and I hope to-night to be able to obtain communication with Your Excellency either through Suva or Pago Pago. I enclose for Your Excellency's perusal a Proclamation (No. 2) [sub-enclosure 3] which deals with the above subject, and which I deemed it necessary to issue. I should add that investigation disclosed the fact that preparations had been made for the destruction of the wireless station by dynamite.

Section D Battery.—As explained later in this despatch, it became necessary to send Transport No. 2 to Suva with the least possible delay, and in the hurry of so doing a misunderstanding resulted in Transport No. 2 putting to sea while still having on board a section of D Battery, which had been brought to Apia in her. The two guns of this section had, however, been brought ashore, and part of the section of D Battery, which arrived in Transport No. 1, will be quite able to serve these two guns. I keenly regret the temporary loss of the services of the section which arrived in Transport No. 2. I only became aware of the fact that these men were still on board after Transport No. 2 had proceeded some twenty miles to sea, and the necessities of the situation did not permit me at that stage to take steps to have Transport No. 2 recalled.

Food Requirements.—Immediately upon landing I was approached by the Hon. Mason Mitchell, United States Consul in Apia, who informed me that food was in short supply. I at once investigated the matter, and found that the Chinese indentured coolies, numbering about three thousand, had been on short rations since the outbreak of the war, and the European residents feared that they might rise unless the food in hand, which was barely sufficient to last ten days, was augmented.

The European population was also suffering from shortage of supplies, as stocks held on the island are small, the merchants depending on the regular monthly service of the Union Steamship Company, which service has been suspended.

The problem was, therefore, as to how to obtain a supply of food to reach Apia by about the 5th September.

I was able to procure 9,000 lb. of flour from H.M. ships "Psyche" and "Philomel," and I had already purchased in Noumea and Suva 3 tons rice, 4 tons sugar, and 4,000 lb. biscuits to augment my own stores, so that this quantity of food was available, without infringing on what I had brought from New Zealand, to tide over the situation until outside supplies could be obtained.

I ascertained from responsible citizens that the following are the monthly requirements of the islands: Rice, 80 tons; sugar, 10 tons; biscuits, 400 to 500 20 lb. tins; coolie tea, 20 40 lb. cases; dripping, 100 kerosene-tins; flour, 50 tons; hops, 400 lb.; chaff, 100 sacks; oats, 75 sacks; bran, 200 sacks; fowl-wheat, 20 bags; butter (in tins), 1 ton of 5 lb. and 2 lb. tins; benzene, 150 cases; corned beef, 50 cases 1 lb. tins, 30 cases 2 lb. tins, 10 cases 3 lb. tins, 10 cases 4 lb. tins, 10 cases 5 lb. tins, 10 cases 6 lb. tins; Rex soap, 50 cases; Nestlé's milk, 15 cases; salt, 10 sacks; potatoes, 60 cases or sacks; onions, 10 cases; bacon 10 sides (rolled); brown wrapping-paper (butchers') $\frac{1}{2}$ ton.

Of the above necessities, rice, potatoes, and onions cannot be held in stock for more than two months, as they deteriorate rapidly in this climate.

The following provisions had, prior to my arrival, been ordered from Sydney to come by the s.s. "Sonoma" (an American ship), due at Pago Pago on Friday next, the 4th instant: Rice, 80 tons; flour, 10 to 20 tons; sugar, 5 tons. I have made arrangements for these supplies to be brought over from Pago Pago in an American schooner, and if they are on board the "Sonoma" they should arrive here on the 6th instant.

Considerable supplies are also expected by the "Ventura" (American) from San Francisco, arriving at Pago Pago about the 14th instant.

Before ascertaining that these supplies were on the way I had arranged with the Senior Naval Officer, New Zealand Division, to send here by Transport No. 2 one month's supplies from Fiji, if possible, and, in the event of supplies being unobtainable in Fiji, then that Transport No. 2 should be sent to Auckland to obtain them there, and to return at once.

The flour obtained from the warships has been distributed amongst the local bakers, for the European population, at cost price, and a restriction has been placed on the price charged for bread.

Prices have, since the war began, appreciated about 100 per cent., and I propose, with the provisions for which I am asking, to reduce this appreciation to 20 per cent., and I also propose to fix a scale of prices to be charged by retail stores which will give them a fair rate of profit on their turnover. This will continue until Government stores or supplies are discontinued and trade has returned to normal.