

position is this: When a bonus was granted by the New Zealand Government to the flour-millers, I understand the people of New Zealand got that flour £2 17s. 6d. per ton cheaper than they otherwise would. Our people wanted a similar concession. I wrote at once to the Minister, who brought it before Cabinet. The Minister wrote back explaining that the inhabitants of the islands did not contribute anything towards the New Zealand revenue, and therefore the New Zealand Government could not extend this bonus system to the islands; the money came out of the Consolidated Fund of New Zealand. I want briefly to refer to a photograph that was produced here of a petition which, it was stated, was signed by all the Arikis and members of the Council. There was such a petition, and it was sent to Wellington. I was away at the time and saw it first in Wellington. When I came here the Arikis informed me that they had been asked to sign a document referring to a man named Estall, who was taking away one of the Native contingents. This man being a Tahitian, they objected to his being in charge. But they found they had not only signed a protest against Estall, but had signed a document that included also a request to the Minister to put in European members, and included also an attack on myself and some other matters in dispute. They said they had no knowledge that that was in the document put before them. They wrote to the Minister repudiating the whole thing, and when the Minister came here they sent a deputation to him to repudiate it. A precis note of the Arikis' statement is this: "In regard to the signing of the paper, all we know is that we did sign our names to a few words, and they were to request that Estall should not be allowed to go with our boys to New Zealand. Other words put in we know nothing about." Consistently, so far as I know, since I have been here, the Arikis have refused to accept the proposal to place Europeans on the Council. I have never known them take up any other attitude. This is the attitude which they expressed before the Governor-General and which they have expressed before you.

Mr. YOUNG: Where is the original document with the original signatures?

Mr. PLATTS: I presume it is in Wellington, also the letters repudiating the whole document. I wish now to refer briefly to some other statements and charges—first, in regard to the copra transaction and why it failed. The Administration brought in a tax on copra. The traders immediately passed it on to the Native producers. The producers came to me with a sale-note showing the deduction. They complained that the Government was putting a tax on them. I explained that the tax was wanted for the ultimate good of the exporter. I sent a telegram to Tahiti and asked the price of copra there, and found it was very much higher than the price of copra here. When the Natives next complained to me I said, "You will get a very much better price if you send your copra to Tahiti," and they put it on board the "Flora." The "Flora" went to Tahiti. When she got there the French authorities discovered a plague-rat on board her. They refused permission to land any of the cargo, and it was all taken back to Auckland. There it was at the time of the epidemic. There was trouble with the waterside workers, and eventually the copra found its way back to Tahiti. But before then the Armistice had been signed and the price of copra had a heavy fall. However, the copra was sold at Tahiti, and brought, as far as I remember, £16 10s. a ton. The Union Company then sent in a claim to the Natives for the freight from Rarotonga to Tahiti, Tahiti to Auckland, and Auckland back to Tahiti, and the transaction turned out a loss. It has also been said that at a meeting of the Council I stated there was a copra "ring" operating in this Group, and that the "ring" had made large profits. It is quite true I said that. I believe that to be the case. I made that statement after having carefully inquired into the position and after having sent round to the three firms engaged in the copra trade. As a result of my inquiries I came to the conclusion that they were in a combination. The price they were paying then was such that from the advices I received from other parts of the world as to the value of copra I came to the conclusion that they were making large profits, and I am satisfied they were. I did not say that this gentleman's firm was in the wrong. He apparently has fitted the cap on himself. Any firm that likes to fit the cap on can wear it. I repeat, there was a "ring" operating in the Group, and it was the duty of the Administration to break that "ring." It has broken it as far as Rarotonga is concerned. The price of copra advanced considerably owing to the action of the Government in introducing New Zealand buyers into this market. The "ring" may still operate in the outskirts of the Group. As long as I am here every effort will be made to break any combination of that sort which works to the detriment of the islands. One other matter was a personal attack—that I diverted orders to relatives. When I first came here I found that the practice was for any departmental head to send an order to any firm he liked for supplies for his Department. I stopped that, and insisted that all orders should go through the central office. I sent orders for timber and cement direct to the wholesale suppliers, and I saved considerable sums of money by doing that. The orders for timber and cement still go to those people. Other orders were sent—orders for hardware, which were not very large. There was no rule to guide me at all in regard to orders. We have no rules such as a local body has—that with a £50 order you have to call for tenders. I made one rule as applied to myself—that with a new order of £25 or upwards I required prices. The firms that I thought could supply those goods I asked to quote prices. I adopted that in order to help the Administration and for my own guidance. I have tried to adhere to that rule as far as I possibly can. It is not always possible. I repudiate the suggestion that there has been the slightest preference by the Administration since I have been here. Orders were certainly sent to E. W. Mills and Co., but they were asked to compete with other firms. I admit that it was not notified in any papers that tenders were invited. They were not public tenders. I wrote to different firms and asked at what price they could supply corrugated iron. They sent in their price, and we picked out the lowest, or accepted none. In several instances we have rejected all offers because of their being too high. I appreciated the possibility of the traders saying something of this kind about myself, and I was very careful not to let Mills and Co. have anything like a preference, because I have a brother-in-law who is a member of that firm. It is nothing to him to get a £25 order from this