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WESTERN PACIFIC.

CORRESPONDENCE

RELATING TO THE

ADMINISTRATION OF THE GILBERT AND ELLICE ISLANDS PROTECTORATE.

Presented to both Houses of Parliament by Command of His Majesty.
November 1908.



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ANUA 481/3

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WESTERN PACIFIC.

CORRESPONDENCE

RELATING TO THE

**ADMINISTRATION OF THE GILBERT AND ELLICE
ISLANDS PROTECTORATE.**

No. 1.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 24 March, 1908.)

Office of the High Commissioner for the Western Pacific,

MY LORD,

Suva, Fiji, 30th January, 1908.

I HAVE the honour to enclose a copy of a despatch received by me from the Resident Commissioner of the Gilbert and Ellice Islands Protectorate reporting on the condition of the islands under his administration during the years 1901-1906.

2. The steady progress indicated is very creditable to Mr. Campbell, and I have little doubt that, with the increased staff which, in another despatch, I shall recommend for your Lordship's approval, the Protectorate will continue to make satisfactory improvement.

3. I have asked Mr. Campbell to make recommendations for revising the existing native laws, and I shall report further at a later date on the question of island funds.

I have, &c.,

EVERARD IM THURN.

Enclosure in No. 1.

Gilbert and Ellice Islands Protectorates,

SIR,

Resident Commissioner's Office, Betio, 11th November, 1907.

I HAVE the honour to forward herewith the following returns, revenue, expenditure, imports and exports, island funds (balances), relating to the Gilbert and Ellice Islands Protectorates for the years 1901 to 1906, inclusive, together with the following observations:—

2. *Administration.*—The administration of the Protectorates was conducted during these six years with the same, as regards number, permanent non-native staff as was provided 11 years ago, and under similar Revenue Regulations to those introduced in 1903, shortly after the Proclamation of the Protectorates. At the latter end of 1900 Ocean Island (Panaba) was included in the Protectorates.

3. The Gilbert and Ellice Groups contain twenty-four principal islands. The natives of each of the latter are under a separate Native Government, consisting of a Kaubure (Native Council), a Native Magistrate, or more if necessary, and a Native Scribe. Each Native Government has under its jurisdiction a number of local native police, varying in numbers according to the size and population of an island. The two groups and Ocean Island give twenty-five distinct Native Governments to be kept under supervision. In the absence of a vessel for the use of the Administration and of any frequent or regular means of inter-group, or inter-island, communication, these numerous Native Governments and communities, scattered over a large area of the Pacific Ocean, cannot be supervised as efficiently as is desirable.

4. Official visits, made, as opportunities occur, to the different islands show that the native authorities make some endeavour to discharge their duties at least as far as the spirit of favouritism, with which many of them are strongly imbued, will admit. While many native officials offend in this respect, a few transgress in being over-zealous. During the years under notice the office of Uea, or High Chief, of an island has been abolished with most beneficial results.

5. It is impossible for anyone, without local knowledge, and who has not travelled throughout the islands, to appreciate the difficulties attached, under past and present conditions, to administering these Protectorates, embracing as they do two groups of scattered islands, many of them surf-bound, totally distinct in the character and language of their native inhabitants, and containing a foreign population of varied nationalities.

6. *Island Funds.*—The cost of the local administration of each island is defrayed from the Island Fund, which consists of a land tax and fines levied in the Native Magistrate's Court for breaches of the native laws and regulations. The land tax formerly paid in money is now generally paid in copra. The latter is collected and sold by public tender. By these means the native taxpayer gets the best price for his tax-copra. The system has made it possible to reduce the land tax. On some islands this reduction has been considerable. In addition to meeting Local Government expenditure, the Island Funds provide for the payment of the native taxes to the Protectorate Government. These taxes, assessed in accordance with the number of the native population and the productiveness of each island, average about four shillings per head per annum of the native male population. The island authorities, after payment of their official liabilities, hand any balance there may be at the end of the year to the Protectorate Government. These balances are placed to the credit of their respective islands in the Island Fund Deposit Account, and are available for drawing upon in years of drought. On the 31st December, 1906, these balances reached a total of £13,028 12s. 11d. A portion of this sum is drawing interest which will be placed to the credit of the islands concerned. It is hoped that a large portion of these balances may be permanently invested and the interest thereon applied towards the further reduction of native taxation. This credit balance has been arrived at, it is satisfactory to note, without any increase of taxes. Formerly a large proportion of the balances would have been lost by misappropriation and carelessness on the part of native officials. The condition of the Island Funds shows that the measures taken to protect the interests of native taxpayers have not been unsuccessful.

7. *Native Laws and Regulations.*—The native laws and regulations, as a rule, have been intelligently administered by the Native Magistrates. The latter have occasionally erred in being too severe by inflicting full penalties on first offenders and for minor offences. The native laws now in force, with a few exceptions, were framed, and approved by the late Sir John Thurston, over 13 years ago. The time has arrived when they might be advantageously revised. Considering that the natives of the groups are on the borders of civilization, and that in the past they had for a great number of years a most demoralized class of foreigners living among them, the rarity of serious crimes is remarkable. During the last six years only four murders have occurred, followed by one execution, two life sentences, and the suicide of a murderer almost immediately after committing murder. A satisfactory sign of respect for the law is shown by the fact that natives who are, or who consider themselves to have been, unjustly dealt with by the Native Magistrates and police now await patiently until they have an opportunity of applying to an European Officer of the Protectorate to redress their grievances. Not long ago the custom was for an aggrieved party to seriously incapacitate or kill an offender in accordance with personal inclination and the ethics of his forefathers.

8. *Gaols and Prisoners.*—On many of the islands native authorities are paying more attention to their gaols and prisoners. It cannot be expected that these will be properly looked after until it is possible to exercise general supervision over the various islands.

9. The most useful employment for prisoners would be land reclamation. Large areas could be reclaimed in the two groups. On land being reclaimed by prison labour it should be planted with cocoanut palms and a portion reserved by the Native Government. On coming into bearing the produce should be converted into copra by prisoners, sold, and the proceeds placed in the Island Fund. If the land tax could not be reduced by these means, it might at least prevent having to increase it in the future. The question of land reclamation is of great importance in these Protectorates.

10. *Revenue.*—The revenue of the Protectorates has increased annually. The principal source of increase is from capitation taxes received from Ocean Island.

11. The present annual revenue is not sufficient to provide an adequate staff of non-native officials. Improved Revenue Regulations, now under consideration, should provide for the establishment of such a staff. It has already been mentioned that the Revenue Regulations now in force are similar to others introduced shortly after the establishment of the Protectorates, at a time when the resources of the groups were unknown. Regulations made at such a time could not be otherwise than of an experimental nature. Experience now shows that such regulations may be, and should be, replaced by others of a suitable nature to advance the interests of the natives and to develop the groups.

12. *Expenditure.*—Annual expenditure has been kept well within limits, as is shown by the yearly surplus. Disbursements under the head of "Mails and Travelling" could, and would, have been increased with advantage had more opportunities occurred for inter-island travelling. Increased expenditure has been entailed during the last three years by the establishment of a Medical Department. The latter has been effected without drawing upon any reserves. Annexure I.

13. *Imports and Exports.*—The returns of imports and exports relate to trade goods and copra, respectively, in the Gilbert and Ellice Groups. Annexure II.

14. *Trade.*—Methods of trading in the Gilbert and Ellice Groups are very elementary and leave much room for improvement. Much more and better business would be done were firms and individuals, both importers and exporters, to appreciate the value of time, and to pay more regard to the wishes and requirements of their customers.

15. Many of the islands of the two groups are visited very irregularly and infrequently by trading vessels with the result that the natives thereon can do very little trading. When natives make copra they have to wait for long and indefinite periods before an opportunity occurs for them to dispose of it to a vessel. Finding that they have to bear the losses attached to shrinkage in weight and to deterioration, they only make enough to meet their immediate requirements when a vessel may be expected to arrive.

16. The quality of imported articles of trade is generally very inferior. These articles are introduced under the impression, a very erroneous one, that anything is good enough for the islands. This view may have been very successful many years ago when inferior articles of trade were disposed of to natives jointly with intoxicating liquor, arms, ammunition, and explosives. In order to obtain these articles natives were prepared to buy any rubbish out of a trade room.

17. The Gilbert and Ellice islanders have arrived at a stage when they can discriminate between a good and a bad article of trade. They prefer a good article even if its cost be greater. They have not arrived at that later stage of civilization, reached by many importers, at which "shoddy" is a cult.

18. The two groups are capable of producing a much larger quantity of copra annually, provided that the rainfall be normal and the natives receive more encouragement to trade by being supplied with goods of better quality, and by being offered better prices for produce. Prices now offered are very little in advance of those obtaining years ago when the value of copra was considerably less than it has been of late years.

19. *Population.*—It has not been possible to obtain a reliable census. The Protectorates contain about thirty-five thousand native persons and about three hundred non-native persons. ! ?

20. *Missions.*—There are four missionary bodies operating in the Gilbert Group. With few exceptions the work carried on is of a very superficial and desultory nature. The overlapping of various societies holding different views, both religious and social, is detrimental to mission work. It is to be regretted that the power, considerable if united, of these bodies to do good is practically lost.

21. *General.*—Much remains to be accomplished by the administration of the Protectorates. Thanks to the labours of a few subordinate officials, both European and native, a certain advance point has been reached. This point cannot remain stationary, neither can it be passed until provision is made for closer supervision over the several islands, their local governments, their numerous native inhabitants, and their foreign residents of mixed nationalities. It is earnestly hoped that improved administrative measures will shortly be introduced, and that the above-mentioned point may be left behind at an annually increasing distance.

I have, &c.,

W. TELFER CAMPBELL,

Resident Commissioner.

His Excellency

Sir Everard im Thurn, K.C.M.G., C.B.,

High Commissioner for the Western Pacific.

Annexure I.

Revenue and Expenditure.

Year.				Revenue.			Expenditure.			Surplus.		
				£	s.	d.	£	s.	d.	£	s.	d.
1901	...	...	...	2,554	9	0	1,970	17	11	583	11	1
1902	...	...	...	2,558	8	6	1,927	9	1	630	19	5
1903	...	...	...	3,011	8	3	1,658	13	3	1,352	15	0
1904	...	...	...	3,470	3	0	2,013	8	2	1,456	14	10
1905	...	...	...	3,647	19	1	3,622	11	6	25	7	7
1906	...	...	...	4,345	0	6	3,385	14	3	959	6	3

Annexure II.

Imports and Exports.

Year.				Imports.			Exports.		
				Value.			Value.		
				£	s.	d.	£	s.	d.
1901	...	...	...	12,023	11	8	33,131	10	5
1902	...	...	...	12,115	2	1	22,325	15	11
1903	...	...	...	21,840	18	3	30,816	10	9
1904	...	...	...	28,452	16	9	53,508	7	1
1905	...	...	...	16,934	11	0	40,670	18	8
1906	...	...	...	25,646	5	10	50,644	17	4

Annexure III.

Island Funds.—Deposit Account Balances.

Year.					Total Amount.		
					£	s.	d.
1901	...	...	...	...	3,339	17	1
1902	...	...	...	...	4,682	12	7
1903	...	...	...	...	6,432	6	7
1904	...	...	...	...	9,778	8	3
1905	...	...	...	...	11,169	1	11
1906	...	...	...	...	13,028	12	11

No. 2.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 24 March, 1908.)

(Extract.)

Office of the High Commissioner for the Western Pacific,
Suva, Fiji, 3rd February, 1908.

REFERRING to previous correspondence on the subject of the amendment and consolidation of the Gilbert and Ellice Islands Regulations, and the appointment of a resident official at Ocean Island, I have the honour to transmit, for your Lordship's consideration, copies of a draft regulation which, I think, embodies the necessary alterations, consolidates the existing regulations, and provides the means of raising the necessary revenue to meet the cost of the establishment which, after consultation with Mr. Campbell in Fiji, I recommend should, in future, be maintained in the Protectorate. The draft regulation is subject, of course, to such amendments, verbal and in substance, as may be deemed necessary.

Before dealing with the regulation, it will be convenient to state my views as to the staff necessary in the Protectorate at its present stage, and to indicate the sources from which the revenue may, as it seems to me, most conveniently be raised both in regard to convenience of collection and fairness of incidence.

I enclose statements showing

- Revenue under existing regulations estimated by Mr. Campbell for the years 1907 and 1908 respectively.
- Estimated revenue under the proposed new regulation.
- Expenditure at present estimated by Mr. Campbell for the years 1907 and 1908 respectively.
- Expenditure proposed in future.
- Extraordinary expenditure.

As your Lordship is aware, the present staff of the Protectorate consists of Mr. Campbell, Resident Commissioner, an assistant, and an interpreter, all of whom are situated at Tarawa, in the northern portion of the Gilbert Group. The salaries drawn by these officers are, respectively, £650, £275, and £25. But Mr. Campbell has also the assistance of certain officers not on the establishments, but remunerated partly from Island Funds and partly from the vote for clerical assistance and from commission on the collection of native taxes. There is also a medical officer at Tarawa at a salary of £400 per annum. I think the time has fully come when the remote islands should be placed under the control of officers on the regular

establishments of the Protectorate; while, in regard to Ocean Island, it has already been agreed that an official shall be stationed there.

In considering the question of the appointment of an officer to Ocean Island and of the proposed additional staff, it has seemed to me worth considering whether the present headquarters of the Resident Commissioner are in the most convenient and advantageous place. Mr. Campbell is now resident at Tarawa, in the northern portion of the northern of the two groups. That station is, I consider, ill suited for headquarters under present circumstances. The native population is comparatively scanty, and European population and business, except as connected with the Residency, is practically non-existent. Butaritari, where the Residency was originally established, and whence it was moved to Tarawa, seems to me a much more important position from a native and also from a European commercial point of view—and the anchorage in the lagoon is at least as good and safe as at Tarawa. If it were a question between the headquarters being either at Tarawa or Butaritari, the only advantage in favour of the former is, in my opinion, that the headquarters are already there.

Taking into consideration the geographical position of the Gilbert, Ellice, and Ocean Islands, as well as the distribution and character of their respective populations, I think that, provided a sufficient number of Government officers is appointed and properly distributed through the various islands, and that an adequate vessel, either auxiliary or steam, is provided for conveyance of the Administrative Officers, it matters comparatively little where the Resident Commissioner has his headquarters, except that the Residency should not be in any of the southern islands, where there is no European population, and the native population is scantiest.

Ocean Island is situated to the westward, and almost opposite the centre of the Gilbert Group, and is—to an extent which, I believe, no one who has not been there, realises—a very busy and increasingly prosperous place. There is now resident there a very considerable European and other non-native population employed by the Pacific Phosphates Company. There would be much more work for the Resident Commissioner on Ocean Island than elsewhere; and, provided that a proper vessel for transport is provided—he could thence reach almost any of the other islands much more easily than he now can from Tarawa. I, therefore, think that the Resident Commissioner, whoever he might be, should have his headquarters at Ocean Island.

Assuming that the Resident Commissioner is stationed at Ocean Island, with the proposed increased staff, I think his salary should be not less than £800 per annum, while it will be necessary to adapt the existing Government quarters to his use and to provide him with a clerk, and an interpreter, a police officer and gaoler, and with policemen, warders, &c., with the necessary quarters, gaol, and police barracks. The clerk should receive a salary of £200, the interpreter £25, police officer and gaoler £150, while an amount of £70 per annum will probably meet the wages of policemen, gaolers, &c. It is also suggested that the medical officer of the Pacific Phosphates Company should receive an allowance of £50 a year for medical services rendered to the Protectorate.

I propose the appointment of an Assistant Resident Commissioner for Tarawa at £350, and that he should retain the present staff, consisting of a clerk, police, and an interpreter at a cost for salaries of £200, £238, and £25 respectively.

At Butaritari, Nanouti, and Peru, respectively, in the Gilbert Islands, and at a place to be decided hereafter in the Ellice Islands, I would place Government agents, each with a salary of £200 per annum, who will be responsible, under the Resident Commissioner, for the government of the immediately adjoining islands. The estimated native population in charge of each of these agents will be, respectively, 5,000, 10,000, 9,000, and 3,000, while the Assistant Resident Commissioner will have charge of islands the population of which is approximately 10,000. I enclose a rough tracing showing the different islands, the headquarters of the different members of the Protectorate staff, and the estimated population of each group.

To enable the Resident Commissioner efficiently to control his staff, and to enable him to visit the various islands, it is absolutely essential that a vessel, either with steam or auxiliary power, should be provided. Owing to the frequent and extended calms encountered in the islands, a sailing vessel would be practically useless. A suitable vessel of from 200 to 300 tons could probably be purchased for

£7,000. Gear and fittings are estimated at £300, and an oil launch—very necessary—at £200, or a total expenditure of £7,500.

It will be convenient, while dealing with extraordinary expenditure, to add that a considerable addition to the Government residence at Ocean Island together with offices, quarters for clerk, and interpreter, and the necessary police buildings and gaol and barracks may be estimated at £1,500. Four small houses at, say, £350 each should be provided for the Government agents, so that the total extraordinary expenditure may be put down at £10,400.

To meet this charge, I would recommend that the accumulated balances of the Protectorate, now some £7,000, be depleted to the extent of half the amount of £10,400, the balance being advanced at interest, say, 4 per cent. from Island Funds to be repaid as the circumstances of the Protectorate permit.

If your Lordship approves my suggestion to purchase an auxiliary vessel, the annual charges for upkeep will be £240 wages of master, £180 for engineer, £75 for boatswain, £60 for cook and steward, and £100 for crew, or a total of £655 for wages. To this must be added an amount of £600 under other charges for messing of officers and crew, maintenance of ship, fuel, &c., but there will be a reduction on the present vote for mails and travelling of £500 per annum.

The vote for salary of medical officer, £400, and for upkeep of Tarawa hospital, for repairs and upkeep and rent of stations, for miscellaneous services and stationery will remain as at present. There will be some additions for rations and clothing of police, which I have put down at £212, making the total of this item £650. The cost of additional clerical assistance and commission on collection of taxes may be reduced from £300 to £50.

The total cost of establishments as proposed above, and the estimated cost of other charges are shown in enclosure No. 5 as £6,313. It is necessary, however, to estimate for a slightly higher amount to meet contingencies, and to provide a sinking fund for repayment of the amount to be borrowed from Island Funds, as proposed above. I, therefore, think that a revenue of, say, £9,000 per annum should be aimed at.

Mr. Campbell's estimates of revenue for 1907 and 1908 are shown in enclosure No. 2 as £3,740 and £4,300 respectively. Existing taxation may, therefore, be said to produce £4,000 a year, so that an extra amount of £5,000 must be provided. Mr. Campbell's suggestions are to increase existing sources of revenue, principally trading licences, ships' licences, and capitation taxes. These taxes seem to me already high, and any increase in them would probably materially interfere with trade. The capitation tax is objectionable in so many ways that instead of increasing it I should greatly prefer to abolish it altogether, and to substitute other taxes.

Mr. Campbell has suggested an export duty on copra, and an import duty on spirits, perfumery, wines, and tobacco, an increase from four to five shillings in the fee for dog registration, and a licence fee for registration of firearms. The additional revenue from the last two sources is small, but I see no objection to the imposition, and I have, therefore, adopted this part of his suggestion. An export duty on copra does not commend itself to me; but the time has come for the imposition of import duties on spirits, perfume, and wine, estimated to return £1,000 a year, and on tobacco, the revenue from which is placed at £4,500.

The Gilbert and Ellice Islands, with a native population of 35,000, and a non-native population exceeding 300, and with imports and exports valued at over £80,000, cannot be considered highly taxed at some £9,000 per annum, which will provide a fairly adequate staff for present circumstances. The present administration has done excellent work, but it is useless to expect that the widely scattered islands of the group and the large native population can be adequately supervised by a Resident Commissioner with one European official, and occasional assistance from revenue collectors not on the staff, and without the means of travelling among the islands. I, therefore, strongly recommend the adoption of the proposals that have been made above for improving the administration of these distant and lonely yet interesting islands.

If your Lordship approves the levying of import duties, the necessary regulation dealing with their collection will be prepared.

(Draft.)

Enclosure 1 in No. 2.

No. of 1908.

In the name of His Majesty, EDWARD VII., of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, King, Emperor of India, &c., &c., &c.

KING'S REGULATION

(Made by His Majesty's High Commissioner for the Western Pacific, in accordance with the provisions of the Pacific Order in Council, 1893).

To Amend and Consolidate the Regulations affecting the Gilbert and Ellice Islands Protectorate.

* * * * *

PART I.

REGARDING TAXATION.

Illegality
of un-
licensed
trading.

Station
licence.

Licence for
half year.

Transfer of
licence.

Ship's
licence.

Substi-
tuted
ship's
licence.

Boat's
licence.

Exemption
from boat's
licence.

Term of
licences.

1. On and after the coming into force of this regulation it shall be unlawful to trade in the Protectorate except under a licence or licences to be obtained in the manner hereinafter provided.

2. For every licence to trade on shore (hereinafter called a station licence) a sum of twelve pounds shall be paid, and a separate licence must be obtained by every person over two in number who may be engaged in trading on shore in any one station. The right to trade under this licence shall be limited to the premises in respect of which the licence is issued.

3. Any person arriving in the Protectorate after the thirtieth day of June in any year may obtain a station licence for the remainder of the year on payment of the sum of eight pounds.

4. Should the holder of a station licence leave the Protectorate temporarily the Resident Commissioner may on application transfer such licence to some other person to be approved by the Resident Commissioner, and for every such transfer a fee of one pound shall be paid. Provided that a station licence may not be transferred more than once in any year. In the case of the holder of a station licence leaving the Protectorate temporarily before having renewed such licence and returning before the thirtieth day of June the Resident Commissioner may issue to him a licence for any broken period on payment of a fee at the rate of one pound per mensem, and after the date aforesaid the fee shall be as laid down in section three thereof.

5. For trading from or on board of any ship or sea-going vessel a licence (hereinafter called a ship's licence) shall be obtained. Such ship's licence may include the whole of the Gilbert Islands or the whole of the Ellice Islands, or may refer specifically to one or more islands. For a ship's licence embracing the whole of the Gilbert Group or the whole of the Ellice Group a sum of one hundred pounds and for one embracing the whole of the two groups of the Gilbert Islands and the Ellice Islands the sum of one hundred and fifty pounds shall be paid. For any other ship's licence a sum of fifteen pounds shall be paid for every island to which such licence shall apply. Every ship's licence shall be available only for the ship or vessel in respect of which it is issued. Provided always that on proof to the satisfaction of the Resident Commissioner that any vessel duly licensed under this regulation has been withdrawn from the Protectorate and another vessel substituted therefor the Resident Commissioner may, on surrender of the ship's licence first issued, issue a substituted ship's licence as in Schedule C of this regulation in respect of the vessel so substituted as aforesaid, and for every such substituted ship's licence a fee of one pound shall be paid. Not more than one substituted ship's licence for any licensed vessel shall be issued during any year.

6. For each boat or punt carrying passengers within the Protectorate an annual licence shall be obtained at the rate of ten shillings for every ton of carrying capacity, such capacity to be estimated by the Resident Commissioner or by some person duly authorised by him. Provided that boats being part of the equipment of any ship or vessel holding a ship's licence, and punts or boats used exclusively for supplying water, coal, or other stores to His Majesty's ships of war, shall not be required to take out such licences.

7. Every station licence, ship's licence, and boat's licence shall, except as provided in section four hereof, be for a period of one year to commence on the first day of January; and a substituted ship's licence shall be available only for the remainder of the year in respect of which the original licence was issued. Such

licences shall apply only to the island or group of islands in respect of which they have been issued, but for the purposes of such licences all islands situated on the same lagoon shall be deemed to constitute one island.

The Resident Commissioner shall have power to grant or refuse any licence or to renew any licences, subject to appeal to the High Commissioner.

8. From the date of the coming into force of this regulation capitation tax on non-native persons shall cease to be paid, and in substitution therefor the following duties shall be collected and paid on goods imported into the Protectorate; that is to say, ninepence for each pound avoirdupois weight of tobacco manufactured and unmanufactured, fifteen shillings for each gallon of spirits and perfumery, and four shillings for each gallon of wine. And such goods shall be imported only at such places as the High Commissioner may by regulation or Proclamation declare to be ports of entry.

9. Station licences, ships' licences, and boats' licences available for any island or group of islands in the Protectorate shall be obtained from the Resident Commissioner, and the Resident Commissioner may, with the approval of the High Commissioner, appoint persons to receive the taxes and licence fees provided for in this regulation and to issue licences as aforesaid. Every such person receiving taxes or licence fees shall at the earliest opportunity forward the amount received to the Resident Commissioner, or otherwise dispose of it as may be directed by the Resident Commissioner.

10. Any person trading on shore or employing another person to trade on shore without the necessary licence having been first obtained, and any person trading on shore otherwise than on the premises of a licensed station, shall be liable on conviction to a fine not exceeding one hundred pounds or to a term of imprisonment not exceeding six months.

11. The master or owner of any ship or sea-going vessel who shall without having taken out a ship's licence make use of such ship or vessel within the Protectorate for purposes of trade shall be liable on conviction to a penalty not exceeding one hundred pounds or to imprisonment not exceeding six months.

12. Any person trading from or on board of any ship or sea-going vessel in the Protectorate without the necessary licence having previously been obtained and the owner and master of any such vessel, and any person trading from any punt or boat in the Protectorate shall on conviction be liable to a fine not exceeding one hundred pounds or to a term of imprisonment not exceeding six months.

13. Any person who shall knowingly accept delivery of goods from or deliver produce to any such unlicensed ship or vessel shall be liable on conviction to a penalty not exceeding fifty pounds or imprisonment not exceeding three months.

14. The master or supercargo of every vessel entering or clearing from the Protectorate shall furnish to the Resident Commissioner declarations of the quantities and values of all goods imported into, or exported from, the Protectorate, and any master or supercargo knowingly furnishing a false declaration of such quantities or values shall be liable on conviction to a penalty not exceeding fifty pounds or to imprisonment for a term not exceeding three months.

Power of Resident Commissioner to refuse licences.

Capitation Tax remitted and Import Duties substituted.

Dutiable goods to be imported at ports of entry only.

Issue of licences.

Penalty for unlicensed trading.

Penalty for not taking out ship's licence.

Penalty for unlicensed trading.

Penalty for trading with unlicensed vessel.

Ship-masters to furnish manifest.

Enclosure 2 in No. 2.

REVENUE.

		Estimated, 1907.	Estimated, 1908.
		£	£
Native Taxes		1,700	1,700
Capitation Taxes		350	550
Trading Licences		800	850
Trading Licences, Ships'		700	800
Boat Licences		60	55
Dog Taxes		30	45
Miscellaneous		100	300
Total		3,740	4,300

Enclosure 3 in No. 2.

ESTIMATED REVENUE UNDER DRAFT REGULATION.

Native taxes	...	...	...	...	...	...	...	...	£1,700
Station licences	...	...	...	...	...	...	...	...	880
Ships' licences	...	...	...	...	...	...	...	...	700
Dogs' registration	...	...	...	...	...	...	...	...	45
Boat licences	...	...	...	...	...	...	...	...	55
Registration of arms	...	...	...	...	...	...	...	...	25
Import duties on spirits and perfumery	...	...	...	...	...	...	...	...	1,000
Import duties on tobacco	...	...	...	...	...	...	...	...	4,500
Miscellaneous	...	...	...	...	...	...	...	...	300
									<u>£9,205</u>

Enclosure 4 in No. 2.

EXPENDITURE.

	Estimated, 1907.	Estimated, 1908.
	£	£
Salaries :		
Resident and Staff	1,600	1,800
Police	300	325
Commission on collection of taxes, interpretation and extra clerical assistance.	250	300
Rent of stations	50	70
Repairs and upkeep of stations	250	350
Rations	300	400
Clothing	50	50
Stationery and printing	50	55
Mails and travelling	500	500
Miscellaneous expenses	100	150
Betio (Tarawa) Hospital — wages and upkeep.	250	300
Total	3,700	4,300

Enclosure 5 in No. 2.

ESTIMATED EXPENDITURE (RECURRENT).

Salaries:—

Resident Commissioner (Ocean Island)	...	...	...	800
Clerk to Commissioner (Ocean Island)	...	...	...	200
Interpreter (Ocean Island)	...	...	...	25
Police Officer and Gaoler (Ocean Island)	...	...	...	150
Policemen, Gaolers, &c. (Ocean Island)	...	...	...	70
Allowance to Medical Officer (Ocean Island)	...	...	...	50
Assistant Resident Commissioner (Tarawa)	...	...	...	350
Clerk to Assistant Resident Commissioner (Tarawa)	...	...	...	200
Police (Tarawa)	...	...	...	238
Interpreter (Tarawa)	...	...	...	25
Government Agents at Butaritari, Nanouti Peru, in Gilbert Islands, and at , in Ellice Islands, 5 at £200 each	...	...	...	1,000
Medical Officer, Tarawa Hospital	...	...	...	400
Government vessel:				
Master	...	...	...	£240
Engineer	...	...	...	180
Boatswain	...	...	...	75
Cook and Steward	...	...	...	60
Crew	...	...	...	100

655
 Total, Establishments £4,163

Other Charges:—

Hospital expenses	...	...	...	...	...	250
Hospital buildings: repairs, &c.	...	...	...	...	...	50
Police, prisons: rations and clothing	...	...	...	...	...	650
Mails and travelling (including upkeep, fuel, &c., of Government vessel	...	...	...	...	...	600
Repairs and upkeep, rent, &c., of stations	...	...	...	...	...	350
Clerical assistance	...	...	...	...	...	50
Miscellaneous, stationery, &c.	...	...	...	...	...	200
Interest, say, 4 per cent. on £5,400	...	...	...	...	...	216
Total, Other Charges	...	...	...	...	...	2,366
Total Expenditure	...	...	...	...	...	£6,529

Enclosure 6 in No. 2.

EXTRAORDINARY EXPENDITURE.

Purchase of 200-300-ton schooner with auxiliary power	...	...	...	...	...	£7,000
Gear, fittings, &c.	...	...	...	...	...	300
Oil launch	...	...	...	...	...	200
Extra buildings, Ocean Island	...	...	...	...	...	1,500
Quarters for Government Agents, 4 houses at £350 each	...	...	...	...	...	1,400
Total	...	...	...	...	...	£10,400

No. 3.

THE SECRETARY OF STATE to THE HIGH COMMISSIONER.

(Extract.)

Downing Street, 3 June, 1908.

I HAVE the honour to acknowledge the receipt of your despatch of the 3rd of February,* on the subject of the Administration of the Gilbert and Ellice Islands Protectorate.

I concur generally in your views as to the reorganization of the Administration of the Protectorate, and I approve the purchase of a sailing vessel with auxiliary steam power at an estimated cost of £7,000, and of a steam launch to cost £500. I also approve the proposals for the provision of new buildings, at Ocean Island, and at the headquarters of the Government Agents. I am prepared to sanction the transfer to Ocean Island of the headquarters of the Resident Commissioner and the increase of his salary to £800 a year.

I feel, however, some doubt as to the means proposed for raising the necessary revenue to carry out the expenses of the Administration. I agree to the abolition of the capitation tax, and the substitution of duties on perfumes and wines and spirits, but I consider that a duty should also be levied on beer, as is proposed in the Solomon Islands; and I would further suggest that the rates of duties on these articles should be the same in the Solomons and in the Gilbert and Ellice Protectorates.

The duty on tobacco seems to me not to be free from objection, and in preference I have asked the Lords Commissioners of the Treasury to reconsider the question of the appropriation to the Protectorate Funds of the revenue from the royalty on the phosphates on Ocean Island. On this question I will address you further when a reply from the Treasury has been received.†

* No. 2.

† COLONIAL OFFICE NOTE.—Arrangements have since been made for the credit of the royalty to Protectorate funds from 1st April, 1909.

THE HIGH COMMISSIONER to THE SECRETARY OF STATE.

(Received 6 October, 1908.)

Office of the High Commissioner for the Western Pacific,

Suva, Fiji, 3rd September, 1908.

MY LORD,

I HAVE the honour to acknowledge the receipt of your despatch of 1st August,* with which you forward a copy of a question asked and provisionally answered in the House of Commons on the subject of alleged ill-treatment of natives in the Gilbert and Ellice Islands.

2. The charges implied against the Resident Commissioner, Mr. W. Telfer Campbell, are so vague and—as I honestly believe—so entirely unfounded on facts, indeed so discordant with the circumstances which really prevail in the Islands in question, that I find it difficult to answer them, except by a mere direct negative; and this difficulty is accentuated by the facts that the islands named are very far away, are very scattered, and that consequently it is practically impossible to get together any large number of the inhabitants for cross-examination on the allegations. I ought, however, in justice to Mr. Campbell, to make some attempt to answer.

3. Mr. Smeaton asked if the Under Secretary of State was aware that grave charges as follows had been made against the Resident Commissioner in the Gilbert Islands, notably:—

- a. That he had compelled natives to labour without wages on public works;
- b. that he had compelled them to work without wages on the phosphate concession held by a private company, of which Lord Stanmore is Chairman;
- c. that he had flogged for disobedience or dilatoriness;
- d. that he had collected taxes from natives in copra, which is their staple food, notwithstanding that the Phosphate Company is said to be making from £80,000 to £100,000 a year clear profit from the guano which the natives collect for them;
- e. that these and other statements have been sworn by a late resident in the Gilbert Islands, and confirmed by missionaries and by those influential natives, who have presented a petition of complaint to me since I reported to your Lordship's predecessor in 1906.

4. I will try to deal with the charges which I have lettered *a*, *b*, *c*, *d*, and *e* in order, but before doing so I must explain certain circumstances which affect, and more or less disprove, all of these charges. Mr. Potts, who has been in the Gilbert and Ellice Protectorate, and who must, therefore, know their circumstances, should have explained them to Mr. Smeaton.

5. As a glance at a map will show, the Gilbert and Ellice Islands form a long and practically unbroken chain of islands; and Ocean Island or Panopa, together with Pleasant Island or Nauru, together form a little group some 300 miles to the west of this chain from which they are entirely separated by deep sea. The Gilbert and Ellice Islands are inhabited by natives closely allied by race to each other, and only possibly allied to the natives of Ocean Island, and certainly distinct from the latter. There was certainly little (and probably no) communication between the Gilbert and Ellice Islanders on the one hand and the natives of Ocean Island and Pleasant Island on the other until Europeans settled in those parts. In all the islands mentioned coconuts were the chief product, and almost the sole food of the natives, and this is true to-day of the Gilbert and Ellice Islands, where coconuts are still the sole wealth; and there is no guano—or, at least, none which it pays to collect—in these Islands. But in Ocean Island (as in its companion, Pleasant Island), it has been discovered by Europeans, not by natives, that there is great wealth not of guano (which does not now occur there), but of phosphate rock, *i.e.*, guano in its fossil state. Socially, economically, and from a native point of view, the Gilbert and Ellice Islands are entirely distinct and separate from Ocean Island, though Mr. Smeaton and Mr. Potts obviously refer to them as one homogeneous group.

6. Politically, and as regards European influence in those parts, these islands (the Gilbert and Ellice and Ocean Island) have within the last dozen years acquired

* Not printed.

a certain kind of nominal unity. For the protection of the natives against beach-combers and against their own incessant internal fighting, the Gilbert Islands were proclaimed a British Protectorate in 1896, and the Ellice Islands were given the same status in the following year; on the other hand, the separate and distant Ocean Island was in 1900, for the purpose of allowing the utilisation of its phosphate rocks, declared not a Protectorate but a British possession; about the same time—for convenience of administration—Ocean Island was placed in charge of the Resident Commissioner of the Gilbert and Ellice Islands; and the whole of these islands are now known by a sort of legal fiction, as the "Gilbert and Ellice Protectorate." The conditions which obtain on the two parts of these Protectorates are entirely different.

7. The Phosphate Company has greatly flourished on Ocean Island, which has become a crowded centre of European industry, and thus—from a social point of view—is even more distinct and different from the Gilbert and Ellice Islands than it was before.

8. The Phosphate Company has sought to recruit labour for Ocean Island, under strictly guarded indenture, from many islands of the Pacific, and for many years did this most successfully from the comparatively near Gilbert and Ellice Islands. But these islanders, having amassed what is for them considerable wealth, by wages earned from the Company, have recently shown a great tendency to return to their original homes and not to re-engage. It is probable that the Gilbert and Ellice Islanders who were thus on Ocean Island for a time as indentured labourers were the only members of their race who have ever been on that island, except perhaps a few who have been storm driven that way in old days.

9. I ask that the differences between the islands which I have above indicated may be borne in mind when reading the following detailed comments on the propositions put forward in Mr. Smeaton's question;

(a) Such public work—a few roads and boat landing places for native convenience—as is done in the Gilbert and Ellice Islands by native labour is done under authority of the natives' own laws enforced by the natives' own chiefs, and the only interference by the Resident Commissioner is in the direction of seeing that these laws are not too harshly enforced by the native chiefs. As regards Ocean Island no public works are done either by the actual natives of that island or by the introduced Gilbert and Ellice islanders; and as regards work done in digging and loading phosphates this is done under the directions and for the wages of the Phosphate Company, and here again the only function of the Resident Commissioner is to see that the Company's relations to its native labourer are not overstrained on either side. It is not true that the Resident Commissioner anywhere compels the natives to labour without wages on public works.

(b) It is equally untrue that the Resident Commissioner compels the natives to work without wages on the Company's concession; and I may take the opportunity of saying that it would be, I am satisfied, also untrue to say that the Company does or could exact labour from their native employees without paying them fair wages.

(c) Flogging for certain minor offences is certainly recognised and inflicted by the native law as administered by the chiefs; but Mr. Campbell's constant effort has been to moderate this. It is certainly not true that he has been guilty of any cruelty or harshness towards the natives by inflicting or countenancing corporal punishment.

(d) It is true, but is certainly no injustice, that taxes are collected from the natives in copra. Coconuts are their chief food, but—in the form of copra—are also their only kind of wealth—their money token, their only means of barter, and of their dealings with non-natives. Moreover, it is a *suggestio falsi* to assume that the Phosphate Company (whose operations are confined to Ocean Island) make a large annual sum from the guano which the natives collect for them. There is no guano in any of the islands under consideration; therefore the natives do not collect any for the Company; and though the rock of which Ocean Island, and that island alone, is composed, is almost pure phosphate, this is laboriously dug, not by the unpaid natives but by the 80 or 100 European employees of the Company assisted by their Japanese labourers assisted to some extent—now a very small extent—by the well-paid Gilbert islanders, who have been brought over to Ocean Island

under very careful and liberal indenture. And the natives—who do not collect guano for the Company—do pay their taxes in part of the copra which, being over and above what they need for their food supply, they would otherwise sell to the island traders. It is certain that it is better and more agreeable for the natives to pay this tax, which is for their own benefit, and which is paid for at something like the full market value, in kind than from the scanty cash which they would otherwise get for their kind from the traders. Moreover, the copra received for their taxes is sold under a system of contract by public tender called for in the newspapers, and the proceeds, after the value of the taxes has been deducted, are credited to their own Island Funds.

(e) It is possibly true that the statements above referred to have been sworn to by a late resident in the Gilbert Islands, and if so, I have no wish to assume that that resident committed voluntary perjury, but I confidently assert that he has allowed his imagination and prejudice to drive him into utterly erroneous statements. Moreover, it is utterly untrue that any complaint against Mr. Campbell's treatment of natives has been presented to me by any missionaries or natives since I reported to your Lordship's predecessor. I have never heard of any such petition or complaint; and Mr. Campbell, whom I recently saw, has satisfied me that he has not heard of any such petition or complaint.

10. I will only add that, in my opinion, the defect in the administration of the Gilbert and Ellice Island Protectorate has been in the inadequacy of the staff of the Resident Commissioner to deal consistently and firmly with so many small island communities, almost purely native—with the exception of that on Ocean Island—scattered over so vast an area of seldom-visited sea. It is quite possible and probable that abuses exist, especially in the less visited islands, and by the acts of the natives themselves against other natives; and I think it is quite certain that there has not been sufficiently close supervision over the expenditure by natives of that portion of the proceeds of the native tax as is devoted to their self administration. But, as you are aware, I have already, after careful consideration, proposed, and your Lordship has accepted, a scheme for extending the European staff sufficiently to keep a check on all the islands.

I have, &c.,

EVERARD IM THURN.