

- 8 The provision of Rice and Sugar for the part maintenance of settlers would similarly not have been necessary had it been possible to select the time for conducting the settlement operations.
- 9 At the time of applying for the Grant it was anticipated that the normal expenses of the Native Governments, once established, would be met from Colony Funds.
- 10 The item was unforeseen at the time of applying for the Grant. Actual experience while working the scheme, however, soon made it clear that a grant in aid of the establishment of Co-operative Societies was absolutely essential owing to the refusal of any Commercial Firm to trade with the Group and the uncertainty of communications, coupled with the poverty of the islanders, who could not conceivably provide the capital necessary to establish their own Societies.

While I strongly recommend that the item be regarded as a non-recurring final grant towards the establishment of the Societies, it could nevertheless, if desired, be treated as a long term loan to be ultimately recovered from Store Profits.

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