

(e.g. Cigarette papers are landed at a cost of 100 packets for ten shillings, or just under 1s. each. The obvious selling price is 1½d. each, but, since there are no halfpennies, the price has to be 2d. or two for threepence. In the case of small fishhooks, the margin of profit is even larger, unless the buyer can be convinced that he is not being imposed upon in being advised to buy half a dozen, when he only requires one.

9. As a result of reviewing the year's working of this store, very valuable information has been gained as to the requirements of the natives and methods which will be required to counteract losses. It is hoped that this information will result in a reduction of prices and a more equitable distribution of the burden of profits.

Gardner Island.

3rd January, 1941.