

2. Ministers are of opinion that the interests of New Zealand in Rarotonga are sufficiently important to make it most desirable that a vice-consul should be appointed there. The exports and imports between this colony and the group were, in 1884, £11,004 and £23,912 respectively; and, in addition to the commercial friendship existing, there has always been a friendly feeling between this colony and the inhabitants of these islands. The Queen of Rarotonga, now on a visit to New Zealand, has stated that she and her people desire, not only to remain on friendly terms with New Zealand, but to obtain a much closer bond of union.

3. Ministers think that, considering the importance of the post, the appointment of an unpaid vice-consul would not meet the requirements of the case.

If Her Majesty's Government leave to the New Zealand Government the nomination of an officer to act as vice-consul, and also as agent for New Zealand, Ministers would undertake to propose to Parliament that this colony should pay his salary; and they fully believe that Parliament would sanction such a proposal.

4. Ministers desire to take this opportunity of again pressing on Her Majesty's Government the urgent need that exists for Great Britain to take action as regards the whole question of the South Pacific. They have so frequently made reference to the case of the New Hebrides, and to Samoa and Tonga, that they feel it unnecessary to do more than refer to previous memoranda on those subjects. They wish, however, to point out that the case has been considerably strengthened by the recent action of other European Powers. It appears that the French territory in the Pacific now includes the islands of Tahiti and Moorea, the Marquesas Group, Tuamotu, Gambier Islands, Tubuai, Raivavae, and Rapa.

For the management and control of these islands, a form of government consisting of a Governor and a General Council (*Conseil Général*) has been established by a law enacted in September, 1884. Ministers have before them the *procès verbaux* of the meeting of this General Council, as well as the budgets of the several islands.

It is this action on the part of France which makes it of the more importance that the independence of the Hervey Group should be secured. Ministers submit that such arrangements should be made with the Queen of Rarotonga as may best tend towards this object. If Her Majesty's Government desire, the Government of New Zealand, who have already been, as stated, in communication with the Queen of Rarotonga, will be prepared to conduct the necessary negotiations.

5. Ministers would respectfully urge once more that the possession of Rapa (Opara) by England or New Zealand would be of immense importance to this colony in the event of the completion of the Panama Canal, as affording a coaling-station midway between America and New Zealand. Its possession can be of little or no value to the French; and Ministers trust that an arrangement may be entered into with that Power for the cession of the island to Great Britain.

6. Germany has acquired part of New Guinea, and has assumed control over the Solomon Isles; and the possession of the Caroline Islands is a question now pending between her and Spain. Ministers would point out that it is desirable that Great Britain should obtain possession of the Pelew Group, which lie to the west of the Caroline Islands, and are on the direct line of communication between Australia and China. Germany is also pressing her influence in Samoa and Tonga. Within the last few years the possessions of other foreign Powers have increased. If the New Hebrides be annexed by France—and Ministers are informed that the French flag is still flying there—and Great Britain does not take prompt action, she will be almost entirely shut out from the Pacific islands, with the exception of the Fijian Group.

7. The possessions of the various Powers will be seen on the accompanying map, French islands being outlined in blue, German in yellow, and English in red.

8. Had the wishes and desires of the inhabitants of the various islands been consulted when their territories were taken possession of by foreign Powers, this colony would perhaps have had no right to complain; but the fact is, that many of the islanders have signified a wish to become British subjects or to be placed under British protection, and few, if any, have approved of the annexation of their islands by the present owners.

9. Ministers wish also to refer to the small group of isles called the Kermadec Islands, which lie between this colony and Fiji, and bear somewhat the same relation to the North Island that the Chatham Islands do to the South Island of New Zealand. They may almost be regarded as an integral part of this colony, and are of additional importance as being nearly on the route between this and Fiji. Although so small that they are of hardly any value in themselves, except for the guano deposits they contain, yet it would be most undesirable that they should fall into the possession of another Power. Ministers would urge that they should be annexed to this colony; and, if any expense be incurred by their annexation, they are prepared to propose to Parliament that it should be borne by New Zealand.

10. The question as to the voice that New Zealand is to have in the disposal of the Pacific islands is of immense importance to her, situated as she is in relation to the various Pacific groups. Ministers have on many occasions pressed their views strongly upon the Secretary of State for the Colonies; and they believe that Parliament will be willing to bear the responsibility of their opinions being given effect to.

11. To recapitulate, Ministers would urge that it is desirable that the following steps should be taken by Her Majesty's Government: (1) A vice-consul appointed at Rarotonga, New