

At Aitutaki, one of the Cook group and well in the line of this communication, an opening in the surrounding coral reef gives the opportunity for making a fine and valuable harbour at small cost. Rarotonga, the nearest to New Zealand and the centre of trade for the Cook group, possesses three harbours. They are small, but capable of receiving vessels of 500 to 600 tons, and perfectly safe for nine months of the year. For the remaining three months they are unsafe only in unusually strong gales or the more rare hurricanes. There is also good anchorage outside.

Under these circumstances the endeavour now being made to build up in the Cook Islands a self-governing people, of the Maori race, under the protectorate of Great Britain, is doubly interesting. If successful, the inhabitants of this group must acquire great influence among their kindred in neighbouring archipelagoes. They are anxious to learn English; and, as the Imperial Government have connected the protectorate with New Zealand, the success of the present experiment might fairly be regarded as a first step towards the extension of New Zealand's influence, and to her becoming the commercial, and ultimately, perhaps, the political, centre of an island federation that would form a fitting companion to federated Australia.

The native population has decreased very much within the last half-century, but some hold that the tendency to decrease has stopped. At the best, the population is only stationary, and immigration very desirable. For this there is abundant room, and abundance of very fertile land now lying waste and useless. The Government of Tahiti is about to introduce, as labourers, people from the French possessions in Tonquin. Indian coolies are introduced from British India into Fiji by the Government of that colony. The best immigrants and the most suitable for the development of the Cook Islands would be Japanese peasantry, each family settling on a few acres of land, at a fixed rent and with an independent and permanent tenure. Production would rapidly increase, and the introduction of new blood from a kindred race would be in all respects of great value. If possible to obtain such immigrants among the Christians in Japan, their children, taught English in the island schools, would become English in life and sympathy. Considerable tracts of waste land of the finest quality are available in the Cook Islands; and if it be possible to induce such an immigration the importance of the group must increase, and its influence be widely felt throughout all the valuable archipelagoes at whose door it stands.

The statistics of the Cook Islands have been at various times reported by Consuls at Rarotonga. They were collected under difficulties, but are no doubt approximately close. Federation was effected on the 5th June last, and the import duty came into operation on the 30th. In the future, therefore, the statistics will be more minute and regular.

The only figures that I have available, prior to the 30th June, are those for 1885, 1889, and 1890. In 1885 the exports were given at £28,500, and reference is therein made to their increase to that figure from £10,000 in 1872. The high prices for cotton that followed the close of the American civil war were the chief cause of the increase. The quantity of cotton exported in 1885 was 845 tons: in 1891 it will not be 150 tons. Copra stood for 837 tons in 1885. It, too, has fallen, and will not exceed 450 tons in 1891. Coffee, the most important export, and capable of tenfold expansion, shows 163,820lb. in 1885, and will be at the least 270,000lb. in 1891. Not the slightest care is given to planting or cultivation, and this increase is due entirely to self-sown trees growing from the seeds which fall from those planted more than a quarter of a century ago. Oranges show for 1891 an export approaching 4,000,000, and could be exported to a much greater extent if a sufficient market were available. Lime-juice also is capable of very great increase as an export, especially if it can be condensed to diminish its bulk as a raw product, a course which is said to be adopted in the West Indies. The export of cocoanuts should increase. They are already sent in large quantities to California, and used for many purposes. Finely shredded, and eaten with oranges, they are regarded as a delicacy. The shredding is done very easily, and, if properly introduced, the use of the coconut for this and similar purposes would probably increase in Australia and New Zealand as it has done in America. To arrowroot, citron-peel, and similar products I need only incidentally refer. Their quality is of the best, but the quantities hitherto exported are small.

The following are the tables of imports and exports for 1891. From the 30th June to the 17th December they are supplied officially by the Collector of Revenue; from the previous 1st January to the 30th June they have been kindly given by the importers; and for the uncompleted part of the present month (December) are based upon the produce awaiting export and the imports known to be on the way.

The currency is the silver dollar, originally and still considered as 4s. in account. The coin in use is Chilian, which has been able from its low intrinsic value to drive all other money out of the field. This dollar is exchanged for three shillings in British sterling, but is seldom worth even that sum as silver.

The imports, when entered, are therefore valued by the importer at \$5 to the pound sterling, and in a similar ratio when the invoices are Tahitian and in French money. The import duty of 5 per cent. is paid in Chilian coin, and is thus practically reduced to $3\frac{3}{4}$ per cent.

The exports, on the other hand, are always valued in the Chilian dollars used to purchase them. To avoid mistake the figures in the totals are therefore given in pounds sterling. The difference observable in the rates of conversion will thus be understood.