Another fertile source of trouble has been the fact that the "bond" has hitherto been kept in the warehouse of Donald and Edenborough, and hence the remaining traders believe not only that they have been at a disadvantage as compared with that firm, but also that the local Civil servants

have assisted Donald and Edenborough against them.

With reference to James Te Pou, I am of opinion that he was never a fit and proper person for the position of Paymaster, nor, indeed, for any one of the offices held by him. Mr. Garnier is a gentleman and an honourable man, and the most that can be alleged against him is that he probably was not suited for the position of Customhouse Officer. As for Mr. Scard, whatever his past may have been, he has behaved well during his residence at Rarotonga; he is simply the victim of a dangerous system of Government book-keeping, wherein he has had to do the work of several departments.

The above explanation will enable your Lordship to understand why the bonded warehouse

has been moved, and why the old officers have been dispensed with.

His Excellency the Earl of Ranfurly, Governor of New Zealand.

I have, &c., W. E. Gudgeon, British Resident.

Enclosure No 1.

Parliament House, 27th September, 1898.

Resolution.

Whereas it is the opinion of the Parliament of the Cook Islands that the time has now arrived when the removal of all of the departments of the Federal Government to a central position, unconnected with any business firm, has become an absolute necessity: And whereas it is also deemed advisable to make a complete change in the personnel of the public officers, and that an opinion to this effect was publicly expressed by the people, chiefs, and Arikis of the group during the inquiry lately held by Sir James Prendergast:

Be it resolved that a change in the administration of the public departments is desirable, and

that new officials be appointed to fulfil the following offices:

(1.) Licensing Officer, Customhouse Officer, Postmaster, Shipping Master.

(2.) Government Treasurer. (3.) Auditor.

(4.) Registrar. (5.) Paymaster and Clerk to Governments, and Inland Collector of Rates and Taxes, and Government Interpreter and Clerk to Ariki Courts.

Passed.

J. M. Salmon, M.P., Chairman.

Approved, as for the Cook Islands.

W. E. Gudgeon, British Resident.—29th September, 1898.

Enclosure No. 2.

THE COOK ISLANDS GAZETTE (published by Authority). (No. 1.)

RAROTONGA, Monday, 3rd October, 1898.

FREDERICK GOODWIN

is hereby appointed Treasurer to the Government of the Cook Islands. Appointment to date from 4th October, 1898.

Medical Officers Act (No. 2, 1898).

GEORGE CRAIG, M.B., C.M., Edinburgh,

to be Medical Officer to the Cook Islands Hospital. Appointment to take effect from 1st October, 1898.

Public Health and Quarantine Act (No. 4, 1898).

WILLIAM BANNERMAN CRAIG, M.B., C.M., Edinburgh,

to be Public Health and Quarantine Officer, also Honorary Surgeon to Cook Islands Hospital. Appointments to take effect from 1st October, 1898.

Import Duties Act (No. 3, 1898).

JOHN SYLVANUS COTTERELL

to be Customhouse Officer and Shipping Master. Appointment to date from 4th October, 1898.

Provisional Powers Act, 1891.

JOHN SYLVANUS COTTERELL

to be Postmaster. Appointment to date from 4th October, 1898.

JOHN SYLVANUS COTTERELL

to be Licensing Officer. Appointment to date from 4th October, 1898.