and on his death I do not think another should be allowed to be set up. But, as he has drawn a revenue from the people heretofore, he could hardly be set on one side without pensioning him, and therefore I deemed it best to provide for paying him a salary as President. The Patuiki is old, and not endowed with much wisdom, and scarcely appears capable of understanding the

changes which are now necessary consequent on the annexation.

With respect to the Revenue Act, whilst it imposes a 10-per-cent. duty on all imported goods except those free by the New Zealand tariff, I feel so doubtful of the power of the Council to impose this, now that the island is a part of New Zealand, that I have provided for the Act coming into force on a date to be proclaimed hereafter. This will allow of the New Zealand Government proclaiming or authorising this tariff in the same manner as has been done at Rarotonga. I trust that the Bill, which I understand was to come before Parliament, will authorise the application of such of the New Zealand laws as may be considered necessary to meet the case of islands such as this by some short process—by Order in Council, or other method. It must be obvious that a complicated system of laws suitable for a civilised people is quite inapplicable to cases like that of these islands, and therefore it appears necessary that there should be power to proclaim as in force here only such parts of the general laws of New Zealand as on consideration are locally applicable. It is in the hope that this power has been obtained from Parliament that I have drawn up the series of enactments of which copies are enclosed. The "John Williams" having unexpectedly arrived, I am unable to get copies made in time.

Resident to be appointed Magistrate.

It appears to me very necessary that the Resident here shall be appointed a Magistrate under the New Zealand laws, as cases will arise in which both white people and Natives are concerned which cannot be dealt with by the Native Magistrates. I have provided, in the laws to be brought before the Council at its first meeting, that such cases shall be dealt with by the Resident in his judicial capacity (i.e., when he receives the necessary appointment).

Resident to be appointed Postmaster.

It is also necessary that the Resident be appointed Postmaster, and that a supply of forms be sent to him.

Tariff.

The matter of most urgency that I desire to bring under your Excellency's notice just now is that authority be given at once to impose a 10-per-cent duty on all articles imported into Niue that are not free according to the New Zealand tariff. A supply of the necessary Customs forms should also be sent. Alofi should also be gazetted a port of entry, for which purpose I beg to enclose a description.

Appointment of a Successor.

I trust that whoever is to succeed me may be sent soon, for I esteem it a matter of the greatest importance that he should have sufficient time to acquire a knowledge of the Niue language—without it he will be at the mercy of others. Moreover, the time I undertook to stay here will elapse in two months from now. It is important that he should be with me here for some time prior to my departure, in order that he may receive the benefit of my experience.

Site for Residency.

At the first meeting of the Council next week the question of site of the Residency will be settled, and I trust the house put in hand.

At the meeting at Tuapa, on the 17th September, I duly presented to Tongia the medal sent in commemoration of the visit of His Royal Highness to New Zealand.

At present all goes smoothly, and the natives appear very willing to fall in with any suggestions I have to make to them. I have been round the island—Mr. Lawes very kindly accompanying me as interpreter—and explained to the natives at each village the nature of some of the changes to be introduced and the methods to adopt in selecting their representatives to the Council. Some of these members are already selected, and the first meeting of the Council will take place next week.

The sudden arrival of the "John Williams" and her departure again this evening prevents my entering at greater length into many of the questions I have had to consider. I trust, therefore, that omissions may be excused. I have, &c.,

S. PERCY SMITH.

Government Resident Agent, Niue.

His Excellency the Governor of New Zealand, Wellington.

DESCRIPTION OF THE PORT OF ALOFI, NIUE ISLAND, FOR GAZETTING AS A PORT OF ENTRY. Bounded on the south-east by high-water mark of the coast of Niue Island for a distance of one mile from the foot of the Mission Pier, running in a south-west direction; on the west, north-west, and north by a line drawn with a radius of one mile from the foot of the Mission Pier until it strikes the western coast-line of Niue Island at a point one mile northerly from the foot of the Mission Pier; and on the east by high-water mark of the shore of Niue Island to the foot of the Mission Pier.

Approximate Cost of Paper.-Preparation, not given; printing (1,200 copies), £1 5s.