

with the principal landing-place, but this difficulty is fast being removed. In addition to a road right round the island, there is now a road through the centre, with branch roads to the settlements on either side. A surveyor is now engaged on road-work in Niue, and before long there should be a good system of roads throughout the island. The principal industry on the island is the manufacture of hats. This has languished somewhat recently, as a result, it is said, of the imposition of the New Zealand tariff on tobacco. This commodity is largely used by the traders as a means of payment, and the Natives are not disposed to make hats for the smaller quantity of tobacco which they now receive. The Natives are very expert plaiters, but the material used—a kind of pandanus—is not the best for the purpose. It is proposed to import the genuine Panama leaf, and if this can be done, and some concessions in the duty can be made, the hat trade in Niue will be developed immensely. At present the hats appear to be made in only one style, and if the Natives could be given a little instruction in the direction of varying this as may be necessary it would no doubt assist in expanding the trade. During the year ending the 31st December, 1902, hats to the number of 2,766 dozen were exported from Niue, principally to Auckland, the value represented being £1,830. There is also a good trade done in curios, the value of the exports under this head amounting to £343 for the year. The amount of copra exported was 413 tons, the value being £3,879; while fungus to the value of £486, representing 38,998 lb., was also despatched from the island. The population of Niue may be stated as 4,100, exclusive of some four hundred men at present absent in other islands. The Niueans are naturally of a roving disposition, and numbers of the men go to Tonga, Samoa, Malden Islands, &c. Many go under engagement as labourers, and return on the expiration of their term. The white population does not number thirty persons.

The Hon. Mr. Mills spent the whole of the afternoon and most of the evening discussing departmental matters with the Resident Agent. In the morning (Sunday, the 17th May—Saturday on the island) the Minister received a deputation of traders who wished to discuss with him the question of the Customs tariff and other matters affecting their interests.

NOTES OF A DEPUTATION, REPRESENTING THE TRADERS OF NIUE, WHICH WAITED UPON THE HON. C. H. MILLS AT ALOFI, 17TH MAY, 1903.

Mr. W. T. Wood, M.H.R. : Hon. Mr. Mills, I wish to introduce to you Mr. Rex, who desires to bring before you some matters with reference to the business of the island. Mr. Rex is intimately acquainted with the manners and customs of the island, and has been living here for some time. He has been elected spokesman for the traders, and will speak of the various matters affecting them, in the hope that something may be done for them.

Duty on Tobacco.

Mr. Rex : The first question is that of the duty on tobacco. Nothing is more largely imported into the island than tobacco. It is the only pleasure the Natives have. Since the duty has been imposed they only get three sticks for 1s., whereas formerly they got eight. What we wish to know is whether anything can be done with a view to reducing this duty. We admit that it is rather a difficult matter to arrange this for Niue alone, as no doubt the other islands will want to share in the reduction also. Mr. Head, sen., and Mr. Head, jun., who have been trading here for many years, can throw a good deal more light upon the subject of trading than I can. Again, in the old days the Natives would make hats, &c., to obtain tobacco, whereas now they get so little tobacco for what they make that they are inclined to throw up the hat-making industry.

Mr. R. D. Head : I think a duty of 1s. a pound would be a fair thing. It would not reduce the revenue, as the people would smoke more than they do now. You will later on hear what the Natives themselves have to say on this matter.

Mr. Rex : There is no doubt the duty tends to decrease the industries of the island. We are failing with the hat industry, and that will be a very serious loss.

Mr. R. D. Head : The tobacco is not worth much. It is not sold in New Zealand. Even the Maoris do not smoke it. It is very common twist tobacco, and is only worth about 11d. a pound in the colony in bond. It is no use anywhere else than in Niue. On "Derby" and "Juno" and the dearer tobaccos the duty might remain the same as at present. This tobacco which I show you is preferred by the Natives to the good tobacco. It is stronger, and is only fit for sheep-wash. [A sample of the tobacco in question, known as "Beaconsfield Twist" and "Barrett's Twist," was here produced.] Mr. Percy Smith fixed a duty *ad valorem* of 10 per cent. on all merchandise brought to Niue, including tobacco, and now the New Zealand Government has altered the duty on goods imported into Niue and imposed the New Zealand tariff, and the Natives cannot understand why this heavy duty is fixed on articles that are so very useful and valuable to them. They use tobacco as a sort of currency amongst themselves, and now they say they cannot live. We were thinking that it might be possible for the New Zealand Government to fix a duty of 1s. a pound on the common black tobacco referred to. That would meet all the requirements of the case, and would satisfy us. The full tariff might still be charged on other kinds of tobacco imported, but there is a great deal of dissatisfaction with regard to the high duty on the twist tobacco. If you can arrange the reduction asked for it will be a source of much gratification to the people of the island.

Mr. R. Head, sen. : Another matter is with reference to drugs imported and dispensed to the Natives. We have been accustomed to do this from the early missionary days to the present time, and we make no regular charge for them. We import the drugs and dispense them ourselves, but the New Zealand tariff is charged on them, and this is a great hardship to us.

Hon. Mr. Mills : I am very pleased to be here to-day and meet you all as the representatives of the trade and commerce of Niue. There is nothing like meeting people face to face and hearing their opinions direct. One can then arrive at a conclusion much more readily. You are all aware that Mr. Percy Smith when here stated that as a tentative measure the 10 per cent. duty would be