

we shall feel the effects of an increased output. The Natives have yet to be educated in regard to the advantages obtainable from the proper cultivation of the cocoanut, because its real value is not yet appreciated by them. No doubt the reason for this is the quick return they receive for their oranges and bananas, causing them to neglect the cultivation of valuable copra.

PROTECTION SOUGHT.

Attention is drawn to the fact that the New Zealand Government protects its fruit-growers by levying a duty of 1d. per pound on all imported plums, cherries, peaches, nectarines, medlars, apricots, quinces, tomatoes, and grapes. From the 1st January to the 14th July in each year the duty on imported apples and pears is 1d. per pound, and $\frac{1}{2}$ d. per pound for the remainder of the year. No such protection is offered to the fruit-grower in the Cook Islands, although a part of the Dominion of New Zealand.

The staple fruits of these Islands are bananas and oranges, which are admitted into New Zealand free of duty, as is the case with the same class of fruit from the Australian Commonwealth, Fiji, Tonga, and the French Society Islands. The Cook Islands adopt the New Zealand Customs tariff, with one or two slight alterations, and, as a result, practically the whole of the trade of the Group is in the hands of the New Zealand trader and producer. New Zealand has a monopoly of the trade in flour, tinned meats, butter and cheese, biscuits, and also fruit-cases, all being admitted free of duty here because they are imported from New Zealand. Were any of the above products imported from Australia or America the duty would be charged as enacted in the New Zealand Customs tariff. In addition to the above, almost every article of merchandise imported passes through the hands of the New Zealand trader, who undoubtedly makes his profit.

In return, I think you will find upon inquiry, the Cook-Islander receives practically nothing. Australia, Fiji, Tonga, and the French Society Islands Governments give no concessions in the way of preferential duties on New Zealand exports, yet New Zealand allows their fruits to be admitted into the New Zealand market on the same basis as it does the fruit grown in the Cook Islands.

It is not encouraging to the Cook Island fruit-growers to send large shipments of sound fruit to New Zealand in the expectation of remunerative prices to find, on the return of the steamer, that perhaps a boat has arrived from Fiji or Tonga two or three days previously and glutted the market.

As fruit-growing is practically the only industry, with the exception of copra, in these Islands, it is only fair to suggest that New Zealand should protect the industry in return for the protection which she receives from the Cook Islands. I would suggest that the New Zealand Government levy a duty on oranges and bananas imported from outside the Cook Islands from, say, the 1st March to the 30th September in each year. If this were done an immense benefit would be conferred upon the Cook Island Group.

RAILWAY RATES.

The fruit-grower here is not allowed the concessions given the New Zealand orchardist on fruit passing over the Lyttelton to Christchurch line.

I cannot see the force of the objection raised by the Railway Department—namely, that they cannot distinguish between Cook Island and other island fruit. The same objection might be made between, say, plums and tomatoes from Sydney and similar fruit from Auckland, if carried on the same ship on the New Zealand coast.

The difficulty in regard to Cook Island fruit could be got over, in my opinion, by the Railway Department accepting a copy of each ship's manifest, showing the marks and number of cases of fruit shipped by each vessel in the Cook Group for the Port of Lyttelton. The correctness of such manifest can be certified to by the Collector of Customs at Rarotonga, which is the final port in the Cook Islands before sailing for New Zealand. The certified copy could be posted to the Stationmaster at Lyttelton by the Collector. Then there could be no doubt as to the locality in which the fruit was grown, and the Railway Department would be safeguarded from fraud.

GENERAL.

Shortly after my arrival a flying visit was paid by me to the islands of Mangaia, Aitutaki, and Atiu, principally with the object of installing Mr. Cameron at Mangaia as Resident Agent, Mr. Brown at Aitutaki in a similar position, and Major Large at Atiu.

If circumstances will permit, a visit will be paid to the northern islands in May, or as soon after as possible. It will be remembered that some trouble was caused by a section of the Natives on the Island of Rakahanga in February, 1909 (see A.—3, Cook and other Islands Report, 1909, page 6). A Court was set up on the 16th February, 1909, presided over by the late Commissioner, and Captain Lewis, of H.M.S. "Cambrian," who dealt with the matter. From correspondence before me matters are still far from being settled. This subject will be gone into, when it is hoped a satisfactory settlement will be arrived at.

It is advisable, in the interests of good government, that a war-ship should visit these Islands once a year or once in two years. It might, perhaps, have the effect of preventing the people being led into any mistakes; for it must be borne in mind that the Natives have no conception of the power of the Empire. No physical force is maintained upon the Islands; and I offer this suggestion for your favourable consideration. A similar practice is carried out by the French Government in Tahiti with good results, and by all other countries having valuable overseas possessions. If a man-of-war is not available, it might be considered by the New Zealand Govern-