

shipping. And in this respect the last six months, ended March, 1919, were the most disastrous we have experienced since the war began; but that was owing to the influenza epidemic here and in New Zealand, and to resultant labour difficulties.

Our fruit-export during that period sank to the lowest on record. This season we are doing much better; but, for all that, not more than one-third of the fruit crop of these Islands is being exported to New Zealand. The rest must rot on the trees because of the lack of shipping-space.

As shipping is released from war contracts the position will continue to improve. We can look forward at an early date to a cargo service to New Zealand that will carry every available case of fruit, say, 500,000 cases, instead of 150,000 cases, during the season. This must mean an unprecedented expansion of trade; and, as the fruit business is being so reorganized as to assure to the fruitgrower a profitable return for his produce, the outlook is a bright one.

DISPUTES BETWEEN TRADERS AND NATIVES.

During the past two years there have been repeated complaints by the Natives of the operations of combines. A combination of four or five traders has for a long time past been strong enough every season to fix the price the Natives must accept for their fruit.

It must be remembered that nearly all the fruit exported from the Islands—more than seven-eighths of the total output—is grown by the Native planters. The Natives complain that the prices fixed by these organizations have been unreasonably low, and that for a time last season, for example, the fruitgrowers had to accept 1s. a case. Similarly, a combination of the same traders has fixed and controlled the price of copra.

Hitherto, if the Natives objected, the traders have been able to reduce them to subjection by cutting off the supply of fruit-cases, copra-bags, &c.; and they have always held a stronger card in a practical monopoly of steamer and schooner space.

This feeling of resentment against the operations of these rings has been stronger since the return of the soldiers, and it reached a climax this season, which began in March. The fruit ring fixed the price at 2s. 6d. per case. The Native fruitgrowers have formed a ring of their own, and they declined to sell under 5s. per case. Neither party would alter its price. The Natives then decided to export their fruit themselves, but the traders met that decision by cutting off the supply of fruit-cases and by asserting a claim, based upon long usage, to the shipping-space.

Owing to want of capital, and of credit in New Zealand, the Natives have always been dependent upon the local traders for fruit-cases. They now complained to the Administration, and asked for help.

Upon inquiry it was found that these statements of the Natives were correct, and the Administration then assisted them to obtain a supply of cases and a share of the shipping-space. They were thus enabled to ship their own fruit directly to the agents selected by themselves. So far this new departure has had very satisfactory results for the Natives, for the fruit for which the buyers tried to make them take 2s. 6d. a case they cleared 10s. a case; in subsequent shipments they have done even better than that.

The same battle has been fought and won by the producers of New Zealand. It is a question of the interests of the whole Native population of the Group as against those of the four or five traders who have hitherto controlled the fruit and copra export trade of the Islands. When shipping-facilities are so increased, as they soon will be, that the Native grower is able to export the whole of his crop, this new trade arrangement will assure him a fair return for his labour and a fair share of the value of his produce. It will thus enable him to raise his standard of living and of comfort, which is sadly in need of improvement.

The islanders themselves are the real wealth of the Islands. To promote their general welfare, their health, their education, as well as their material prosperity, is the task of the Administration.

PUBLIC HEALTH.

I attach the report of the Chief Medical Officer, Dr. R. S. Trotter, which discloses a satisfactory state of the public health.

The appointment of Sister M. M. la Fontaine as nurse in charge of Aitutaki has proved so successful that similar appointments to other islands are now being considered. This is likely to be the solution of the difficult problem of providing skilled medical aid for the Natives of the outer islands.

Influenza, brought from Tahiti, broke out in September last year. Prompt and effective steps were taken to deal with it. The work of Dr. Moore, Assistant Medical Officer, who carried on until he was himself overcome by the disease, was beyond all praise. The nurse in charge of the hospital (Sister Sisley) and Dr. Storey (temporarily appointed during the absence of the Chief Medical Officer) also rendered excellent service. The thanks of the Administration are due to the European residents, particularly the ladies, who freely gave their services to the organization for fighting the epidemic.

Many deaths were caused by lack of proper feeding during the convalescent period. To prevent this a daily supply of nourishing food was provided for all the Native patients who required it. By this means many valuable lives were saved. In the course of five weeks there were forty-five deaths from influenza at Rarotonga, a death-rate of about 1½ per cent. of the population. To prevent the