

12. I formed the impression that there was but little in their country that could be desired by Europeans. Here and there small riverside patches of fair land are to be found; but for the most part the gorges are narrow, and their sides rocky and precipitous.

The Right Hon. Lord Knutsford, &c.

I have, &c.,

ON SLOW.

No. 17.

(No. 23.)

MY LORD,—

Government House, Auckland, 15th April, 1891.

As your lordship is aware, I recently inquired of His Excellency the Naval Commander-in-Chief whether he could conveniently send Mr. Moss, the British Resident in the Cook Group, in one of Her Majesty's ships to Rarotonga, in order that every mark of authority might be given to his arrival in his official capacity, and in the hopes that the difficulties which have arisen as to trading by Her Majesty's subjects in some of the islands might the more easily be disposed of.

2. Lord Charles Scott at once wrote to the Lords of the Admiralty for the necessary permission, as the group is outside the limits of his station, but he had received no reply by the 5th instant, the date on which the "Richmond," which trades between Rarotonga and Auckland, was due to sail. As, therefore, it was highly undesirable for Mr. Moss to delay his departure any longer, I directed him to take his passage by the "Richmond."

3. On the 9th instant, Lord Charles Scott informed me that he had received permission to send a ship, and that he proposed to send H.M.S. "Goldfinch" to Rarotonga, there to take up Mr. Moss and carry him round the islands of the group. The "Goldfinch" will accordingly sail for Rarotonga to-morrow.

4. Since last addressing your Lordship on the subject of these islands, I have had the advantage of seeing Mr. Exham, late Acting Consul at Rarotonga, and Mr. Donald, of the firm of Donald and Edinborough, the principal traders in the group. From the information which they gave me, I ascertained that Mr. Mason, who has opened a store at Aitutaki, and to whose action the natives had objected, was finally permitted to do so only until the decision of the High Commissioner of the Western Pacific should be obtained as to his right to open such store.

5. The jurisdiction over these islands having been transferred from the High Commissioner to the Governor of New Zealand, the Natives now expect some decision from me.

6. Your Lordship, in your Despatch No. 58A, 13th December, 1890, informed me that the action of Captain Bourke in declaring Aitutaki part of Her Majesty's dominions is confirmed and upheld, while a protectorate only is to be established over the other islands. It therefore appeared to me that the position of Mr. Mason was different from that of a person opening a store in another island, and that Her Majesty's subjects have a right to trade in what manner they think fit in Her Majesty's dominions, provided they conform to the laws and the natives are willing to let them have sites necessary for carrying on their operations.

7. Under these circumstances, I directed Mr. Moss to inform the natives of Aitutaki that my decision was in favour of Mr. Mason being allowed to remain and use his store as freely as the natives do the market-place.

8. I have now directed Mr. Moss to avail himself of the presence of the "Goldfinch" to read the Proclamation declaring the protectorate in all the islands except Aitutaki, and to do all that he can to secure the federation of the islands and the establishment of Rarotonga as a port of entry where some form of Customs duty can be levied in order to raise a little revenue for executive purposes.

9. From the last reports received, the new liquor-law seems to be working well. Several fines of \$150 have been imposed for selling liquor without a permit, and, notwithstanding the laxity observed in the payment of fines generally, these (for Rarotonga) extremely heavy penalties have in every instance been paid, a result which could not have been obtained unless public opinion strongly supported the carrying-out of the law.