37 A.—3.

Having fully reported the position in my despatches of the 18th November and the 17th December last, it is only necessary to state that the Arikis still firmly refuse to recognise Maretu, whom Pa had made her successor. Nor are they likely to change their minds.

The system of government being entirely local and federal, the only points in which the central authority can be brought into collision with Takitumu are the meetings of Arikis, who form the Federal Government, and the local Government of Rarotonga. The other Arikis refuse deter-

minedly to meet Maretu on such occasions.

To meet this, it is proposed that Makea, as the rightful heir, shall take her place both as Ariki of Avarua and of Takitumu, leaving Maretu and the chiefs disposed to support him to dispute her claim if they think fit. Makea will not interfere in any way with the local affairs of the district, but leave them to be controlled by Maretu if the chiefs so desire. Her objection is entirely to his ranking with the Arikis. In their own phraseology, they will not have a cockroach crawling on their mat.

The affair is delicate, and has caused me considerable anxiety, but I hope by keeping the Native Government, as a Government, and myself out of the dispute as much as possible, that it may be made local, and that quarrels may thus be avoided, which must prove exceedingly troublesome and injurious to the progress of the islands.

I have, &c.,

FREDERICK J. Moss, British Resident.

His Excellency the Earl of Glasgow, G.C.M.G., Governor of New Zealand.

No. 30.

Mr. F. J. Moss to His Excellency the Governor.

British Residency, Rarotonga, 2nd April, 1896. My Lord,-I have the honour to acknowledge receipt of your Excellency's despatch of the 18th March, enclosing one from the Acting High Commissioner for the Western Pacific, together with a proposed "Regulation for the protection of Natives entering into Contracts," and requesting my views as to

its application to the Cook Islands.

The Natives in these islands have little or no property, real or personal, which can be individually alienated. The possession rests with the family, or one perhaps of its members, but the ownership is with the tribe. The Native has no occasion to incur debt of any amount, and his own law prohibits his taking credit at all. The Native Courts are therefore, in my opinion, quite sufficient to deal with any engagements into which he is qualified to enter, and the British Resident can always be appealed to by any one feeling aggrieved by the action such Courts may take.

Further, a Native has no conception of British legal principles in practice, and no means of

obtaining legal guidance when making contracts, or if sued in a British Court for non-performance.

Fully appreciating the objection of the Solicitor-General to section 2 of the regulation, as at variance with ordinary legal principle, it appears to me, for the reasons above stated, that its

operation would be salutary in these islands.

I would suggest that the term "Native trader," in section 1, should be defined, or power given to the Judge to decide whether the contract such "trader" might enter into was in keeping with his ordinary trade, and of an amount consistent with it. Unless some such provision be made, it is quite possible that a chief employed to trade by a European might enter into contracts bringing great trouble on the tribe, who would be bound in honour to see him through his difficulty if the Court decided against him.

I enclose the letter of the Acting High Commissioner, and the proposed regulation to which it I have, &c., FREDERICK J. Moss, gave cover.

His Excellency the Earl of Glasgow, G.C.M.G.,

Governor of New Zealand, &c.

British Resident.

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