

to be picked over; by forwarding oranges affected by the mussel-scale, so that the fruit is fumigated and great loss occasioned to the shippers; and, worse than all, by packing fruit windfalls taken from the ground, and which in many instances has been perforated by a maggot. As I have said, it is almost impossible to convert all of these natives from their evil ways; but something may, nevertheless, be done with the more intelligent among them, and from this class I propose to form an association of men who will bind themselves to send none but the best fruit. Something may be done in this way, for it will enable the members to have their fruit carefully inspected in Rarotonga, and the boxes branded with the association mark as a guarantee of quality. It is also intended to appoint one person at each of the chief towns of the colony to act as agent for the sale of fruit, and thereby prevent a continuation of the present want of system, whereby the oranges are rushed at once into auction-rooms, and one lot of fruit forced into competition against other lots from the same place.

Coffee.

The coffee-crop of the past year has been limited in quantity, from the fact that the trees have scarcely recovered from the attack of leaf-blight from which they suffered in the autumn of 1899; but the quality of the berries gathered has, I am glad to say, proved to be first class, a result that I attribute for the most part to the improved appliances and care bestowed upon the berries by Captain Taylor, the leading coffee merchant of this island. That gentleman informs me that he has in every instance secured remunerative prices—as high as 7d. per pound; but in this as in every other instance the Rarotonga article is inferior to any of the outlying islands. This fact is not easily to be accounted for, inasmuch as I have no reason to believe the popular report to the effect that in Rarotonga the berries are gathered from the ground after becoming bitter from contact therewith. The fault appears to be that the berries are insufficiently dried before they are bagged and stored, and are therefore more or less damaged by mildew before sale to the traders. The general impression is that the Au, or local Council, is to blame for this wretched system, and probably this view is not very wide of the truth, for the Au for many years past interfered and even encouraged others to interfere in the sale of the island produce, to the manifest detriment of all business. The popular view is that the members of the Au are merely speculation agents, and that until they have made arrangements to suit themselves the sale of the season's coffee is delayed, and the berries more or less damaged in consequence of such delay.

It appears to me that the time has now arrived when it is expedient that the rights of *rahui* should be taken away from the Au of any island, and should only be exercised by the Ariki of the islands sitting in council under the presidency of the British Resident, and that any native chief who should attempt to interfere in matters of business by forcing his people to deal with any people whatsoever should be liable to a severe penalty. The *rahui* is a matter that will have to be dealt with sooner or later, for I know of one instance in which an Ariki of Mangaia attempted to fine a trader for having purchased coffee from one of his people, there being at that time no legal *rahui* over the island.

Copra.

The copra produced during the past season has been at least normal in quantity, and probably in excess of that of the last two or three years; but on this point it is difficult to speak with any certainty, for the native schooners have hitherto taken much copra to Tahiti that has never appeared in the Government returns. This produce has for the most part been taken to pay for repairs or fittings for these schooners, which have proved to be a very expensive Maori amusement. It is a disgraceful fact that the large and fertile island of Rarotonga does not produce more copra than the very small island of Aitutaki, and, worse still, that it is almost always of an inferior quality to that of the last named.

I have again and again urged the natives of Rarotonga to plant the cocoa-palm, and something has been done in that direction; but no real progress will be made in any variety of agriculture until the question of land-tenure has been dealt with comprehensively, and the wandering pigs and horses, which at the present moment destroy fully fifty per cent. of the work done, are seized and either sold or destroyed.

The Arikis of each island, acting under my advice, have during the past season demanded British coin for their copra, and in Rarotonga, Mangaia, and Aitutaki they have received it. So also the small sum of money received for other produce has been paid in British. The small amount of Chili money now in circulation has ceased to be a source of annoyance to the traders; indeed, it is rather useful than otherwise, since the old Maoris find it difficult to ascertain the value of British money relatively to the goods that they have been in the habit of purchasing, and therefore exchange their English money into Chili before dealing with the traders.

My reiterated warnings to the natives as to the necessity of improving the quality of their copra by careful drying have not been thrown away, for the first 40 tons produced by the tribe at Avarua is said to have been the best sample sent from this island for many years. But I am unable to report that all of the copra has been of the same high standard, for I have reports from Sydney that show conclusively that in some instances it has been made from green or immature nuts, with the result that it cannot be dried, and does not contain anything like an average percentage of oil. Exports of this description are ruinous to the trade of a small island, inasmuch as one or two inferior shipments are apt to depreciate the value of the whole crop. It appears to me that the manufacture of