

understand, being taken by the present Resident Commissioner to have pure water for all the villages in Rarotonga, and other islands have been aided to some extent in the same way. With more attention to the health of the people, with a proper industrial system of education, and with the maintenance of the existing laws preventing other tropical races coming to the Islands, there is a hope that the Polynesian race may be preserved. If it is to be preserved, however, as I have said before, it must be trained to self-government. This was the noble idea that Mr. Moss had in all his endeavours—to found a system of local self-government; and in my opinion it should be the ideal that must for ever be before the New Zealand people.

In conclusion, I have to say that the Administration has done and is doing good work. Considering the small pay that is given to the Resident Commissioner—only £600 a year—and the fact that the climate is not a climate suitable for Europeans, it is not likely that the higher officers of the New Zealand service would accept the appointment of Commissioner. I might make a suggestion here—namely, that if at the end of Captain Smith's term of service any New Zealand official is appointed Resident Commissioner arrangements should be made that the residence in the Islands should for the purposes of pension count time and a half—that is that, instead of counting one year's service as one year, one year's service should count at least as one year and a half. Something will have to be done if the higher officers of the service are to undertake the duty of acting as Resident Commissioner. A Resident Commissioner has not only the climate to contend with, but, judging from what has taken place in the past, he will have to put up with a considerable amount of carping and petty criticism.

The Islands have under the administration of the present Resident Commissioner been exceedingly prosperous, as the increase of imports and exports will show. The figures for the past nine years are:—

Year.	<i>Imports.</i>		
	Amount.	Increase.	Decrease.
	£	£	£
1902-3	27,623
1903-4	34,886	7,263	...
1904-5	33,399	...	1,487
1905-6	36,993	3,594	...
1906-7	41,437	4,444	...
1907-8	50,756	9,314	...
1908-9	55,021	4,265	...
1909-10	67,737	12,716	...
1910-11	85,064	17,327	...
	<i>Exports.</i>		
1902-3	34,821
1903-4	34,740	...	81
1904-5	38,248	3,508	...
1905-6	34,890	...	3,358
1906-7	45,925	11,035	...
1907-8	51,578	5,653	...
1908-9	60,652	9,074	...
1909-10	73,653	13,001	...
1910-11	91,421	17,768	...

I forward herewith the addresses made to me by the various Arikis and Natives at the different places. It will be seen from these addresses that the Commissioner has succeeded in carrying along with him the good feeling of the Native population. This I consider a very important result. They are quite content with the Commissioner, and what they ask in reference to education and other matters will appear from their addresses. I may add that they were exceedingly kind to me. The white settlers also were most hospitable and kind. I send you herewith the notes of evidence, but in my opinion the evidence ought not to be published. It contains, in some cases, reflections on other people in the island. I did not consider it my duty to inquire into these reflections, and it would be unfair to publish them when the persons referred to have not had an opportunity of rebutting the criticisms.

I cannot conclude without referring to the fact that the well-known Native chief, Te Heu Heu Tukino, of Taupo, visited Rarotonga at the time I was there. He greatly assisted me in seeing the Natives, and he will, no doubt, report to you his opinion on the feeling of the Natives towards the Commissioner and the administration. I judged from what he said that the Natives had, as they told me, no complaints to make against the Commissioner, and that their statements made in their addresses were their honest opinions.

I have the honour to be,

Sir,

Your obedient servant,

The Honourable the Acting Prime Minister, Wellington.

ROBERT STOUT.