

Hon. Sir JAMES ALLEN: What agreement? With whom?

Mr. AMBRIDGE: Between the Native company that was formed at the instigation of the Commissioner. The Commissioner started it. We have a copy of the agreement.

Hon. Sir JAMES ALLEN: It is their articles of association, I suppose?

Mr. AMBRIDGE: Yes. The traders, who had ample supplies of cases on hand then, offered to sell cases to the Natives for cash, but as this was not forthcoming, and as the fruit would not have been shipped through them, there was no security as to the payment for the cases, so the matter fell through. We may state that the 2s. 6d. offered by the traders was for that particular boat only, as prices are regulated each month according to the demand in New Zealand.

In conclusion we would point out that the traders have no objection to the Natives forming fruit companies and attending to their own business, but we do object most strongly to the Resident Commissioner using his unlimited powers to coerce the Natives to form fruit companies whose constitution is brought about practically with the object of boycotting the stores. How does the Resident Commissioner reconcile his recent statement in the New Zealand Press as to the flourishing condition of the islands with the following: 1913—Bananas exported, 107,000 cases; 1919—bananas exported, 30,000 cases—a decrease of 77,000 cases? Is it not also a fact that the most prosperous and enlightened Native planters always do their business through the local trading firms? Is it not a fact that when in difficulties about getting supplies of cases to Mangaia the Resident Commissioner was loaned 2,000 fruit-cases? Also, has not the same firm supplied him with tomato-boxes for the Commissioner to ship his Native company's tomatoes in? Has the Resident Commissioner ever taken steps to explain the same when doing his utmost to trump up virulent charges against the traders? We hear it said that the traders in Rarotonga are exempt from all taxation. I should like to mention that we are all registered in New Zealand. Income-tax is paid in New Zealand, and the whole of the tax that applies in New Zealand the firms have to pay here. Also, we have to pay the local taxation.

E. H. MITCHELL (trader) stated: A statement by the Resident Commissioner has recently been published in the New Zealand Press calculated to convince the people of New Zealand that the prosperity and productiveness of these islands to-day is greater than at any previous period. He bases his assertion upon the value of the imports and exports for eleven months of 1919, and estimates the total for the year at £235,000. He mentions that the best year before the war was 1913, with a total of a little over £220,000. The difference between £220,000 and £235,000 is very little—barely 7 per cent. Now, in the year 1913 the value of the imports only was £110,283, every single pound of which amount represented 20s. worth of goods. Now, assuming the Commissioner's estimate for the year 1919 to be correct, the value of the imports only for that period should amount to about £120,000, being less than 9 per cent. advance upon the 1913 total. But to obtain a correct comparative statement we have to consider the fact that values in 1919 were from 100 to 300 per cent. higher than in the former record year, and therefore, taking 1913 values as a basis, our imports during 1919, presuming the average increase in values to have been not more than 150 per cent., should have reached the sum of £400,000 to merely equal the imports of 1913. So that, instead of beating the previous record year we have lamentably retrograded. So far as exports are concerned the question of relative values has again to be taken into consideration. I have not at present details of the separate values of the various products exported during the years in question—fruit, copra, and pearl-shell—but the two former certainly realized record prices during 1919. So had we exported the same quantities of these lines last year as in 1913 the total value of our exports should have shown an overwhelming increase over 1913. During 1914, which was by no means a record year, we exported 166,000 cases of fruit; in 1918, 126,000 cases; and in 1919 only 105,000 cases. This discloses a most serious position. Another point that we must not lose sight of is that during 1919 the spending-capacity of the population was largely augmented by considerable sums representing soldiers' pay, which should have no place in a comparative statement regarding a pre-war year. The Resident Commissioner also made a statement in New Zealand which gave a very distinct impression that there had practically been no great increase in value of business done with the United States of America. I quote the following statistics, which speak for themselves: Exports to America—1912, £4,978; 1913, £14,628; 1914, £7,495; 1915, £8,837; 1916, £17,621; 1917, £17,146; 1918, £34,344. Imports from America—1912, £5,623; 1913, £9,846; 1914, £10,586; 1915, £5,073; 1916, £8,241; 1917, £11,092; 1918, £15,324. I submit that the Resident Commissioner has failed to realize most important and vital details, and that his optimistic statement was not justified. There is one other matter. I understand that it is not the intention of the Administration to re-lease to the Union Steamship Company the site of the present wharves and sheds, but to resume these when the lease expires in a few months.

Hon. Sir JAMES ALLEN: There is no intention at present to alter the existing scheme.

Mr. MITCHELL: In that case I need not trouble you with particulars. But I will touch on one other matter. We have been taunted over and over again that in these islands we enjoy all the advantages of good government and that we contribute nothing in the way of revenue. I desire to give a few details which refer mainly to myself. I am both a planter and trader, and as such I pay 2d. per package on all produce I export. On 250 sacks of coconuts and 300 cases of oranges this would amount of £4 11s. 8d. The New Zealand farmer, on the other hand, pays nothing in the way of an export duty. Then there is a special duty applying to the Cook Islands of 10 per cent. on cotton piece-goods. That costs me for my family about £7 4s. There is also a special duty of ½d. per pound on sugar. As a trader I am charged the sum of £10 per annum for a store license. I also pay a motor-car tax of £1. In income-tax I pay here nothing at all, but I pay it in connection with certain investments in New Zealand. I pay here also a tax which I think is called a land-tax. I may say I do not object to paying any of these charges, but I wish to point out that the total comes to £24 18s. 2d. If I were in New Zealand I might