The Arikis of the whole Federation form its Government, but have no legislative powers. Their decision was a foregone conclusion, and the shelving of the Bill was certain. Success of that kind would have led to similar tactics next year, and delays have been made indefinite. Parliament members themselves made no secret to me, at the

conference held with them on the 16th August, that they would put the Bill off from year to year, till their children knew English, and were able to be Judges. They would not have more white men.

To counteract this, I drew up an amended Bill (copy enclosed). This Bill met many of the objections which they had raised, and contained a clause (24) which made it law on the 1st January next, unless the Arikis took certain action therein defined before that date. I also offered to leave the Bill to your Excellency's decision, instead

of acting upon my own judgment. The Bill, thus amended, was laid before Parliament on the 26th August.

It was all fruitless. The Arikis and the Judges and some few of the white people were afraid of the Bill. They believed that it might be used to check corrupt practices in the Governments of the different islands; but, above all, that it would, in the end, be used to make them pay debts, and, as they finally were persuaded, to take from them their land to pay such debts if necessary. The Chairman of the Parliament is only there because he is the husband their land to pay such debts if necessary. The Chairman of the Parliament is only there because he is the husband of one of the Arikis. By birth he is said to be English, but calls himself an American. He would certainly not be chosen by either Europeans or Maoris, but, in the absence of electoral machinery, is put in by his wife, the Ariki of Arorangi. This gentleman, Mr. J. M. Salmon, and his friend, a Mr. Goodwin, an old trader whom he has succeeded in getting temporarily employed by the Parliament as its Clerk, have been and are among the most active intriguers against the Bill. Other influences, to which I shall have to refer in another despatch, have been brought to bear, and to all may be added a good deal of detraction towards myself and a continued assertion that the only object, in my case, was to add to my personal importance and increase my own power by destroying the mana of the Arikis and chiefs

and chiefs.

The Maori—the Ariki section especially—is ignorant and credulous. The Arikis and the Parliament held continual and in many cases secret meetings. From all that I can learn they admitted that up to now I had done much for them in all ways. They had nothing but the kindest feelings towards me; but why did I want this Bill—why not have had it long ago if it was necessary? Hard questions these to answer unless they could be convinced, as I am, of the corruption that is again creeping in, and the inability of the Courts to deal with the matters now brought before them. The Bill must not become law. That was their final decision, conveyed to me on the 31st August, and replied to by me at next meeting on the 2nd September, both herein enclosed. I may observe that I thought at one time of referring to your Excellency's despatch to me of the 8th July (received on the 10th August), but, in the circumstances as they then stood, such reference would only have led to renewed misrepresentation, and the despatch have been met with disregard and dishelief.

The Bill has occupied the whole session between the 9th July and the 31st August. On the 6th September the Clerk of the Parliament (Makea Daniela, son of Judge Tepou, and who, trained to the work by me, has acted as Clerk to Parliament and to the Government and as Paymaster since 1891), disgusted, as he says, with the waste of time and the things into which Mr. Salmon was leading them with which they had nothing to do, resigned. at once appointed in his place. I declined to agree to his resignation; but the practical result is that I now only hear occasionally of what takes place in Parliament, and cannot with certainty say what has since occupied them, beyond

occasionally of what takes place in Parliament, and cannot with certainty say what has since occupied them, beyond a general discussion of all kinds of grievances against myself.

The Bill being rejected, a turning-point in Cook Island affairs has been reached, and the next step to be taken becomes a serious question. The islands are small, but with a somewhat dense population—that of Rarotonga, for example, being at least one hundred to the square mile, and of others about the same. Communication between them is irregular and tardy, and in the absence of harbours, is long likely to be so. Each island has its own system of land-tenure and its own political and social peculiarities. Each island differs also commercially and in the character of its people from the other. In Rarotonga there are 147 persons of nationalities other than Maori or Pacific-Islanders. In all the other islands together there are not a dozen foreigners, but the population is purely Maori, with a few scattered traders of different nationalities.

These are the considerations that prompted me to make the experiment of the Federation, which has healed old jealousies, brought the different islanders together, imbued them with new ideas and a broader conception of life. In my humble opinion, it is still worth preserving, if not the only practicable way of establishing law and order without the friction which in my judgment would be sure to follow an attempt to rule from any particular centre, and would soon call for the exercise of force in its train. The schools in which English is now being taught are the hope of the future, but meanwhile the ignorance of the natives in many respects, and the combined ignorance and inflated

of the future, but meanwhile the ignorance of the natives in many respects, and the combined ignorance and inflated ideas of the Arikis especially, together with the whites ready to impose upon them, have to be taken into account.

After the most anxious consideration, and setting aside all personal feeling at the sudden change that has been produced in the minds of the Arikis, I am bound to say that there seems to me no system better suited to the condition of the islands than that now in force, provided that there were in reserve a power near at hand that could be appealed to and relied upon for prompt and effective action if necessary. Such a power, I venture to suggest, would be found if the Governor in Council of New Zealand had full authority to legislate for, tax, and control, at any time, these islands. I believe that the knowledge of such a power being in existence would go far to render its use unnecessary. The Federation might then continue. Its Parliament might legislate and its Government exist. The various islands could retain their local Governments, and the Maori continue to advance politically, socially, and commercially. commercially.

If, on the other hand, any system be adopted which would be incompatible with Federal legislation, each island would have to collect its own revenue. Rarotonga, Aitutaki, and Mangaia would then each require a British officer, for no Macri could be trusted in that position. The remaining islands (Atiu, Mitiaro, and Mauke) are nearer to each other, and one official would do for all three. The revenue could not be raised by direct taxation, for the Maoris would not pay, and they are wonderful adepts at passive resistance, with not a little readiness for violence if they are

excited, or deem it likely to succeed.

The adoption of any policy which did not give a large share of the work to the Maoris themselves would also arrest their development, lead to their decay, and end in reproach to the British name and nation. I venture to suggest that this is an aspect of the question to be kept in view, and also that, though unhappily these kindly and clever Maoris are ignorant, they are nevertheless an advancing people.

Much important work has yet to be done among them. A better and more secure land-tenure to encourage cultivation, and the creation of machinery for the conduct of elections, which their constitution presupposes in all the representative bodies, are the two most immediately needed, and will have to be gradually approached. To carry either would be as hopeless as the Federal Court Bill, as matters at present stand.

In conclusion, if your Excellency should decide on any radical change from the present system, I would respectfully recommend that a Royal Commission should be sent to make inquiry and suggestion. I do not feel competent alone to advise in that direction, but respectfully ask that, if a Royal Commission be sent, I have on it such a position as would prevent its being regarded or represented here as a censure on myself or my conduct of affairs.

I have, &c.. I have, &c., FREDERICK J. Moss, British Resident. affairs.

His Excellency the Earl of Ranfurly, G.C.M.G., Governor of New Zealand, &c.

Enclosure.

COOK ISLANDS PARLIAMENT.—FEDERAL COURT BILL, 1897 (as amended for reconsideration).

A Bill to create a Federal Court for the Cook Islands.

Short Title: "Federal Court Act, 1897."

Be it enacted by the British Resident and the Parliament of the Cook Islands:

1. That the Act to establish a Supreme Court (No. 4, 1891) and the Amendment Act (No. 2, 1894) are hereby repealed.

2. That a Court is hereby established, to be styled the "Federal Court" of the Cook Islands.