

There is a vote for £300 on the Cook Islands estimates for preliminary expenses of the boat, and of this £250 will be available for oil and stores, and Captain Worsley can draw against it; the bill will be paid on my return to Rarotonga.

I have, &c.,

W. E. GUDGEON,
British Resident.

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

No. 25.

MY LORD,—

Rarotonga, 11th July, 1901.

I regret that I have to report that the accounts connected with the Post Office and Customhouse at Rarotonga are in a hopeless state of confusion. They are now undergoing audit at the hands of Mr. Von Hoff, and I anticipate that when this is complete it will be found that there is a deficit of about £1,000.

This state of affairs has been discovered chiefly by reason of the death of the late Treasurer, Mr. Goodwin, who, it would seem, was also short in his cash, and who conspired with the Postmaster to defeat the Auditor's examination by exchanging coin to make up mutual deficiencies.

A thorough investigation is now being held by Mr. Von Hoff into the island accounts, and when our true position is ascertained I will report it at once to Your Lordship, as also the steps that I intend to take. Mr. Gossett has been relieved of all positions held under the Federal Government of these islands.

I have further to report for Your Lordship's information that the prompt action of Dr. W. B. Craig has undoubtedly prevented further losses. Immediately after Mr. Goodwin's death the papers and money in the Treasurer's office were secured and sealed up in the presence of witnesses, and an audit called for immediately. While this was proceeding Dr. Craig made an independent examination of the Postmaster's accounts, and discovered the irregularities which I now report.

I have, &c.,

W. E. GUDGEON,
British Resident.

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

No. 26.

MY LORD,—

Rarotonga, 12th July, 1901.

I have the honour to report that, in pursuance with your instructions, I publicly presented the medals received from you to the Arikis Makea and Ngamaru, as also the photographs of Their Royal Highnesses the Duke and Duchess of York and Cornwall.

On the same evening I presented Surgeon-Captain George Craig with the war-medal which you had delivered to me for that purpose.

I have, &c.,

W. E. GUDGEON,
British Resident.

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

No. 27.

SIR,—

Government House, Wellington, 29th July, 1901.

It is deemed advisable that a trustworthy and qualified gentleman should proceed to Niue Island (which has recently been included in the boundaries of New Zealand, and there assist in initiating and organizing the new system of government.

The matter has been discussed with you and you have expressed your willingness to act. I therefore hereby formally appoint you Government Resident Agent in the island. The appointment will continue during pleasure, but it is anticipated that you will be able to accomplish your mission within about three months after you reach the island.

Your duties will be to assist generally in initiating and organizing the new system of government, with due regard to local customs and laws.

Subject to the terms of this letter, and of such further instructions as you may hereafter receive from me, you will act generally under Colonel Gudgeon, with whom I am sure you will cordially co-operate.