

in stealing their neighbours' coconuts. The value of the exports at the present day is two and a half times greater than it was eight years ago, and the general prosperity may be seen in the appearance of the people.

Schedule C gives the actual exports from each island of the group, and is a most useful return; but as regards Atiu, Mauke, and Mitiaro it may be misleading, unless it be understood that the return does not represent the producing-capacity of the islands so much as the actual shipments under the present unsatisfactory arrangements. The true capacity of these islands will never be ascertained until we have two steamers on the trade, one of which shall run to Wellington direct.

In my last report I stated that the arrangements for the Union Company for the ordinary trade of the group had been satisfactory, and that the "Manapouri" was doing the work well. Unfortunately, this state of things could not continue, for the cargoes offered during the months from May to October were so large that the "Manapouri" was unable to deal with the situation, and the "Hauroto"—a slow boat, but with greater carrying capacity—was placed in the trade. The change was probably unavoidable, but distinctly unfortunate, for, in trying to meet the increasing shipments offered, the company had to put on a boat that could not keep the time-table. The fact is that this slow boat was called upon to do impossibilities; she was required to visit Tahiti, Huahine, Raiatea, Aitutaki, Atiu or Mauke, and Rarotonga, and for several trips the cargo offered was so much in excess of the carrying-capacity of the steamer that on more than one occasion the agent had in self-defence to limit the number of tons taken from the last port of call (Rarotonga). This limit was not always observed, and out of sympathy for those whose cargo would otherwise have been left on the wharf it was taken on board, to the general injury of every one by reason of the crowding of alleyways and general overloading.

The traders of these islands have good grounds for feeling aggrieved, and until these causes are removed the complaints will be loud and frequent. The people of Rarotonga know that a full half of all the cargo carried comes from this one island; therefore it is to them most unfair that they should be put out in the cold whenever the Tahiti islands care to fill up the steamer.

Another cause of irritation is that if cargo is limited in this island the limit will not apply to the firm of Donald and Edenborough, who ship from their own wharf at Avatiu, where the agent cannot supervise them.

The real grievance is, however, the fact that the "Hauroto" has been unable to keep her time-table, and has on several occasions failed to keep the time-table which provides that our boat shall reach Auckland in time to discharge the southern cargo into the boat that leaves for Wellington on Saturday. By failing to do this, very great loss has resulted to those who shipped fruit to the South. To state the case with absolute fairness, it would seem that the company did their best with the means available, but their best fell very far short of the requirements of the shippers. As for the agent of the company, he has inherited the evils of the old arrangements made by his company, but has succeeded in carrying out his thankless work with the minimum of friction.

If the trade of these islands is to be carried on by one steamer, which will try to visit each island that will provide a reasonable amount of cargo, that steamer must be of not less than 3,000 tons register, and capable of doing thirteen knots if necessary; and even under these circumstances it is doubtful if the service would be satisfactory, for during the months of June to October inclusive it will take a very good boat to visit all of the islands and arrive in Auckland on the Friday. If we are ever to put fruit on the Wellington or southern markets in good condition we must have a steamer running direct from this group to Wellington. It has been said in New Zealand that only some 400 tons of our produce goes South each month, and therefore it would not pay to put a steamer on for that amount. This is simple nonsense. The wonder is that even 400 tons is sent South under present conditions. No European planter will send fruit to Auckland, for the prices are not remunerative; but it is generally recognised that with a direct steamer two-thirds of our trade would soon be with the south of New Zealand. It is true that the European planters of this island did deliberately reject the suggestion of the agent of the company that there should be two steamers, but this was merely a passing attack of lunacy which they have regretted ever since. It was, indeed, due to the fact that the returns from Wellington had been more than usually bad, and that certain shipments which had been divided equally between Dunedin, Canterbury, and Wellington had reached the two former towns in fair condition, but were reported as hopelessly bad from Wellington. This mysterious condition of the Wellington fruit has happened more than once, and requires a good deal of explanation.

I submit that it is doubtful whether one steamer could do the work, however fast she might be. From June to November she would have to call at nine islands, and could not do it in the time allowed. In the probable event of a bad reef at either Atiu, Mauke, or Mitiaro, the big boat would be unable to wait a day, and we should have five or six thousand boxes of the best fruit on the islands left to rot on the reef. With a smaller steamer that was not driven to consider minutes, and would allow reasonable delays, such fruit would be shipped.

With the one steamer everything would require to be done in such a hurry that good stowage or gentle handling would be impossible. Many well-founded complaints have been made as to the disgraceful condition of the fruit on arrival in Auckland. This condition is due for the most part to the one-steamer policy. Rather than disappoint shippers, more fruit has been carried than the steamer has proper room for. Alleyways have been filled up, and the fruit close-stowed, with the result that the fruit has been cooked. The oranges on the Windward Islands are of fine quality, for the insect-pests that were introduced to Rarotonga in the old fruit-cases from New Zealand have not yet reached those islands, but they have never yet succeeded in getting all their fruit to New Zealand. It is seldom that they get more than half away, and this is a very great loss, for the reason that oranges are often obtainable at Atiu and Mauke in October when they are worth from 8s. to 10s. a case.