

The abnormal output of Niue plaited hats during 1908—viz., 8,682 dozen—has had the effect of flooding the market, with the result that there has been a considerable drop in prices. As a consequence I anticipate the production for the current year will be on a smaller scale. It is a matter for regret that the market for these very excellent goods is still confined to New Zealand, and I feel sure that, notwithstanding the Customs tariffs imposed in other countries, they would hold their own side by side with any similar product in the matter of appearance, durability, and price, if their merits were only known.

#### *Stoppage of Debt to Natives.*

The pernicious practice of certain traders in allowing the Natives to contract large debts at their stores on the understanding that the debts would be liquidated when the copra was harvested, has for many years been the source of much ill feeling between the traders and the Natives. In the year 1903 an attempt was made to grapple with the question, and an Ordinance entitled "The Niue Island Private Debt Ordinance, 1903," was passed which, *inter alia*, provided that all debts incurred after the coming into force of the Ordinance could not be recovered by law. For a time this acted as a check upon the practice, but, owing to the keen competition amongst the traders, it was found that the Natives were being given goods on credit on a greater scale than ever, and that all sorts of questionable tactics were being resorted to by the creditors with the view of getting their debts settled. As matters had, during the past year, reached an acute stage, the Niue Island Council passed an Ordinance entitled "The Niue Island Trade Regulation Ordinance, 1908," which prohibits a trader, under penalty of forfeiture of his trading license, from giving goods on credit to a Native, except in the case of goods supplied under contract to a Native family, or a division of Natives, in which case a written contract must be drawn up, and signed by the parties thereto in the presence of the Resident Commissioner. In the short time this law has been in operation, trading generally has assumed a much healthier tone.

#### *Communication with New Zealand.*

In the early part of the year tenders were called in Auckland for a regular service between Auckland and Niue by a vessel of not less than 80 tons register, but only one tender was received, which had to be declined owing to the subsidy asked for being considered too high.

Negotiations were then opened up with the owners of the s.s. "Dawn"—a British ship—to provide a service of five trips per annum between one of the Tongan ports and Niue, but they fell through, owing to the owners not being able to see their way to man the vessel in accordance with the New Zealand shipping laws. As this service would have connected with the Union Company's steamers, and run a fixed time-table, it is a matter for regret that the proposal had to be abandoned. The passenger and cargo freights would of necessity have been somewhat higher than those by sailing-ship direct, but the traders of Niue were of the unanimous opinion that the advantages of a service running to a fixed time-table were worth the extra charges. With this view I concur, as, owing to the great distance between Auckland and Niue, and the isolated position of Niue, it appears to me that a direct steamer service with Auckland is out of the question, therefore a steamer connecting Niue with the Union Company's ships at one of the Tongan ports would have been far more convenient and reliable than any service by sailing-ship.

Recently negotiations were again opened up with an Auckland firm with the view of securing a service of five direct trips per annum between Auckland and Niue by a sailing-vessel of not less than 80 tons, and at the time of writing a contract has practically been arranged, there being but a few minor details remaining unsettled.

As during the past two years the trade of the island has been hampered by the want of regular communication with the outside world, it is hoped that the contract about to be concluded will provide a service that will meet requirements.

#### *Declaration of Fono (Tapu) on Copra-making.*

The serious fall in the price of copra in the early part of the year caused a great disturbance in the minds of the Natives, who are as yet too ignorant to understand market-fluctuations. The fact that the Natives had for some time been receiving from the traders higher prices for their copra than they had ever experienced before led them to believe that the high prices would always prevail, and when the market price fell and the traders were perforce compelled to reduce the price to the Natives, there were loud grumbings and much rebellious talk and action. Some of the more sensible Natives took matters philosophically, and sold their copra at the lower price, but the majority decided that no copra should be sold until the traders raised the price to its former standard. Secret meetings were held by a number of the leading *patus* (chiefs), with the result that a *fono* (*tapu*) was declared on copra-making throughout the island, and severe penalties were provided for all Natives who did not conform to their wishes. As the peace of the island was becoming seriously endangered, I obtained information which enabled me to single out the leaders of the movement, and at once took steps which resulted in quashing the *fono*. Of the *patus* who were concerned in this affair, three were Native mission teachers, one was a member of the Niue Island Council, and another a Native Magistrate. Through his action the member of the Council forfeited his position, while the Native Magistrate was dismissed from office. The *fono* then gradually lost its power, and trade once again assumed normal conditions. At the first meeting of the Niue Island Council held after the incident the matter was thoroughly discussed, and an Ordinance was passed entitled "The Niue Island Native Meetings Regulation Ordinance, 1908," which seeks to prevent the declaration and enforcement of any *fono* in future.

#### *Health of the People.*

During the year there was no serious outbreak of disease, with the exception of an epidemic of influenza, which is thought to have been introduced by Natives who returned from Samoa. Ailments such as influenza, measles, whooping-cough, &c., which are looked upon as comparatively mild troubles