

PROTECTION SOUGHT.

I previously pointed out that it is necessary that this most important subject should not be lost sight of, and with that view I again repeat the remarks contained in my first annual report, which were as follows :—

Attention is drawn to the fact that the New Zealand Government protects its fruitgrowers by levying a duty of 1d. on all imported plums, cherries, peaches, nectarines, medlars, apricots, quinces, tomatoes, and grapes. From the 1st January to the 13th July in each year the duty on imported apples and pears is 1d. per pound, and $\frac{1}{2}$ d. per pound for the remainder of the year. No such protection is offered to the fruitgrower of the Cook Islands, although a part of the Dominion of New Zealand.

The staple fruits of these Islands are bananas and oranges, which are admitted into New Zealand free of duty, as is the case with the same class of fruit from the Australian Commonwealth, Fiji, Tonga, and the French Society Islands.

The Cook Islands adopt the New Zealand Customs tariff, with one or two slight alterations, and, as a result, practically the whole of the trade of the Group is in the hands of the New Zealand trader and producer. New Zealand has a monopoly of the trade in flour, tinned meats, butter and cheese, biscuits, and also fruit-cases; all being admitted free of duty here because they are imported from New Zealand. Were any of the above products imported from Australia or America, the duty would be charged as enacted in the New Zealand Customs tariff. In addition to the above, almost every article of merchandise imported passes through the hands of the New Zealand trader, who undoubtedly makes his profit.

In return, I think you will find, upon inquiry, the Cook-Islander receives practically nothing. Australia, Fiji, Tonga, and the French Society Islands Governments give no concessions in the way of preferential duties on New Zealand exports, yet New Zealand allows their fruits to be admitted into the New Zealand market on the same basis as it does the fruit grown in the Cook Islands. It is not encouraging to the Cook Island fruitgrowers to send large shipments of sound fruit to New Zealand in the expectation of remunerative prices, to find, on the return of the steamer, that perhaps a boat has arrived from Fiji or Tonga two or three days previously and glutted the market.

As fruitgrowing is practically the only industry, with the exception of copra, in these Islands, it is only fair to suggest that New Zealand should protect the industry in return for the protection which she receives from the Cook Islands. I would suggest that the New Zealand Government levy a duty on oranges and bananas imported from outside the Cook Islands from, say, the 1st March to the 30th September in each year. If this were done an immense benefit would be conferred upon the Cook Island Group.

SHIPPING.

I would again draw your attention to my remarks regarding the freight charged from New Zealand to the Cook Islands as compared with that charged from New Zealand to Tahiti, as follows :—

The freight charged from New Zealand to the Cook Islands is £2 per ton, and from New Zealand to Tahiti, £1 15s. When inquiries were made upon this subject it was stated that the difference was caused by the fact that, although the distance is much greater from New Zealand to Tahiti than it is from New Zealand to Rarotonga, the company had no charges to pay in the French possessions. I submit that they have no charges to pay in the Cook Islands. It is true that they supply their own boats and boatmen at Rarotonga, and that they have to pay for the upkeep of the wharf and the sheds—property which is leased to them by the Cook Islands Administration; but they charge at the rate of 1s. per ton on outward and inward cargo, and this is over and above the £2 per ton freight. At all the other islands of this Group at which the company's ships touch the boating is done by the Natives and traders themselves at their own cost, delivering at the ship's side outward cargo, and returning with inward cargo. Therefore I submit that the company should be approached to grant the same concessions to the Cook Islands inhabitants as are granted to the inhabitants of the French possessions.

A set of tables giving the exports from the Group by the Wellington and Auckland routes up to 31st December, 1911, is appended, showing a total outward tonnage of 17,167 tons, and returns furnished by the Union Company show the approximate inward tonnage to be 6,089 tons for the year ended 31st March last. I am glad to note that freights by both services are still increasing, and that full advantage is taken of the Wellington service by shippers to southern ports. It may again be mentioned that the greater portion of the money derived from the Wellington shipments goes to Auckland, as 70 per cent. of the inward trade is done with Auckland merchants, who for years past have made a business of catering for the Island trade.

The Auckland service is still very unsatisfactory; and, as previously urged by me, action should be taken for its improvement.

I respectfully draw your attention to the manner in which the development of the export trade is being hampered by want of steamer space in the busy months of the fruit season. There is ample evidence that in those months it often occurs that upon the arrival of the "Talune" at Rarotonga to proceed through the French islands and outlying islands of the Cook Group a planter or trader may be in a position to ship two thousand boxes, and he is limited to a thousand, and so on down to the man who desires to ship ten boxes. This is not only a very serious matter to the shippers, but it is a still more serious matter as affecting the progress of the Cook Island Group, for the fruit, which is perishable, is lost, and the Administration loses the increased Customs revenue in consequence. If the Union Company cannot see their way to build a suitable vessel for this growing trade, which must be faster and with greater space than the "Talune," it would be to their interest and to the interest of the Islands to provide one of their bigger boats during the busy season. It frequently happens that cargo is left behind in Auckland because the "Talune" is not big enough to accommodate the requirements of the importers owing to the amount of cargo that is being carried to French territory. The