"Talune" is quite out of date for this trade, and great complaints are constantly being made of the meagre passenger accommodation upon her. Passengers are confined to a small margin of the deck, which has to be mainly utilized for the carriage of fruit as deck cargo owing to want of other space. If representations were made by the New Zealand Government through you to the Union Company in Dunedin, the company would no doubt see its way to comply with the reasonable requirements of the planters and traders. A faster ship is required to enable fruit to arrive in Auckland on Thursday morning, and so enable it to be rapidly disposed of by rail and coastal steamer to the outlying districts of Auckland, and south if necessary.

As already stated, it is very much to be regretted that the steamer from Fiji arrives in Wellington practically at the same time as the mail steamer arrives from Rarotonga, the result being a glut in the market, and the Cook Island fruit suffe sowing to the low prices which consequently rule. I respectfully request that you make representations to the Union Steamship Company to see if it is not possible to obviate this. I need not impress upon you the importance of this to the fruit industry. Representations on the subject have been made to me from New Zealand by some fruit-merchants and also by various planters, and you will also find the matter referred to in the report of the Fruit Inspector.

An unfortunate incident occurred on the 23rd February, 1912, when the R.M.S. "Maitai" left behind some four thousand cases of fruit prepared for shipment to Wellington, owing, it is stated by the Union Steamship Company, to the inclemency of the weather. I offered every possible inducement to the captain of the "Maitai" to take the cargo, but he considered it impossible, and left it behind. The loss was a very heavy one to shippers and to the revenue of this Administration, and

is much to be regretted.

I am very pleased to be able to inform you that arrangements have been made for the Auckland steamer to be berthed at Auckland immediately on arrival instead of waiting in the stream for medical inspection. The medical inspection will in future take place at the wharf, and the passengers and crew, of course, will not be allowed to land until such inspection is complete. This will very much facilitate the rapid handling of the fruit at Auckland with a view of obviating the fruit remaining in the sheds at Auckland on a Sunday.

RAILWAY RATES.

It is to be regretted that so far Cook Islands fruit has not been admitted to the concession in rail-way rates allowed in the case of New-Zealand-grown fruit. The objection raised by the Railway Department is that they are unable to distinguish between Cook Islands and other island fruit; but I submit that the same objection might be made with regard to fruits imported from Sydney and other places which are also locally grown. It appears to me a simple matter to place on Cook Island fruit-cases a distinguishing mark—to be made by the Fruit Inspector in New Zealand if necessary—and to provide a substantial penalty to protect the Railway Department against fraud. In any case I am of opinion that the ease with which abuse of the concession could be detected would deter any one from endeavouring to take unfair advantage of it, and I urgently request that in the near future the Government of New Zealand may see its way to extend the concession to Cook Island fruit under the above conditions.

COURTS.

High Court.

On the criminal side of the Court 197 cases were heard, being 109 less than in the previous year. Of these only a comparatively small proportion were serious offences, the balance being offences inseparable from a Native community.

There were fifty-six cases of drunkenness from and manufacture of bush-beer, involving 113 defendants, as compared with eighty-nine cases involving 233 defendants in the previous year. These

figures indicate that drunkenness is steadily on the decrease.

The system of sentencing frequent offenders to terms of imprisonment on outlying islands has had a deterrent effect on others, and has largely contributed to the decrease in crime generally.

I may say here that the Native police, under the supervision of Sergeant Holmes, have carried out their duties in an efficient manner, and the quiet orderly behaviour of Natives while on their way to and from the numerous picture entertainments held in the Island of Rarotonga is not only creditable to the police, but is also an indication of the excellent general conduct of our Native people.

On the Civil side of the High Court twenty-three cases were heard, as against thirty-four in the

previous year.

The total fees and fines imposed in the Criminal Court amounted to £151 10s. 6d., and in the Civil Court to £12 10s. 6d., a total of £164 1s.

Land Titles Court.

Owing to the necessity of my devoting the whole of my time to the general administration of the Group, the New Zealand Government complied with my request that a Judge of the Native Land Court of New Zealand should be sent down to hear the numerous land cases in various islands of the Group. His Honour Judge MacCormick has undertaken this work, and is at the time of writing dealing with cases on the Island of Rarotonga. Later on he will proceed to some of the outlying islands. It is intended that Judge MacCormick should continue this work for some months, but it will be impossible for him to complete the work on this visit, although it is hoped that the greater portion of the applications for investigation lodged will be dealt with.

On the 31st March, 1911, there was an amount of fees outstanding of £493. During the year the fees imposed amounted to £47, and £116 has been collected, leaving a balance outstanding on the

31st March last of £424.