

If this land is not leased to some European who will make proper use of it, it might be well for the local Government to acquire the island on perpetual lease and plant it. The cost of so doing would not exceed £400, and for this small outlay a very valuable property would be acquired.

*Manuae and Te-au-o-tu.*

These two small islands are better known as the "Hervey Group." They are situated about midway between Atiu and Aitutaki, and are owned by the people of the latter place, whose title is indisputable, since they destroyed all of the original people except a few women, whose descendants have been admitted to have a certain claim apart from but not superior to the conquest as represented by the Arikis. It is fortunate that these two islands have been leased to a European firm, with the result that the export of copra has risen from 36 tons in 1898 to 64 tons in 1901. During the same period the Cook Islands Trading Company have planted thirty thousand young palms, and Manuae now bids fair within the next ten or twelve years to be the leading copra island of the Cook Group.

*Penrhyn.*

This island is known to the Polynesians under the names of Tongarewa or Ma-ngaro-ngaro, and is valuable only by reason of the existence of pearl-shell beds in the extensive lagoon, which has a surface area of not less than 100 square miles. The extent and value of these shell-beds is only imperfectly known, for the native population is small, and they exhibit no anxiety to do more work than will supply them with food and clothing. It is not possible to do more than estimate the yield of pearl-shell, but it will be safe to say that not less than 70 tons is annually exported, and that the value is probably £200 per ton.

The cocoanut crop is small, though there are many trees on the long strip of coral sand which separates the ocean from the lagoon; but the soil of Penrhyn does not apparently suit the cocoa-palm, or it may be—as the natives assert—that the rats do destroy the young nuts; but, whatever the cause, not more than 15 tons of copra per annum is produced by this island.

During the month of October last I installed Mr. Martin Nagle as Resident Agent for this island, and am of opinion that the Government of New Zealand will find him a very suitable man for the position. He has had a long experience of the Polynesians in many of the islands of the eastern Pacific, and thoroughly understands their customs and mode of thought. That the Penrhyn people appreciate him may be inferred from the fact that those of Omoka have already reserved a piece of land for the use of the Government, and have at their own expense built a house thereon of sawn timber. The native authorities of Te Tautua are also about to follow this example, in order that Nagle may live at either place as circumstances may require.

In my letter No. 35/1900 I have reported very fully on the circumstances and position of this island, and have but little to add thereto, except that the trade of Penrhyn is still in the hands of Tahitian houses, but controlled by the presence of the New Zealand Government Agent.

*Manihiki and Rakahanga.*

These islands may be treated as one, for they are not more than twenty-five miles apart, and belong to the same people, who are governed by the two Arikis, Iesse and Aporo. The former of these islands has until lately produced a limited amount of pearl-shell, but about eighteen months ago it was found that the shell-beds were exhausted by overfishing; the lagoon was therefore closed in order to give it a much-needed rest.

The only industry is that of copra-making, and in this instance both islands are overplanted; indeed, the yield of nuts would be greatly increased if three out of every four trees were cut down. Island Councils are much required here, for at the present moment neither place can be said to be governed at all. The Ariki Iesse is so old as to be almost childish, and Aporo has never had sufficient force of character to keep the few turbulent chiefs of Manihiki in order; the consequence is that a dangerous man like Taupe, the descendant of the hereditary high priest, can keep the whole group in hot water. It was this man who called on the French to take possession of the island, and was as a punishment ordered to leave the group, and set adrift in a flat-bottomed punt. He is at the present moment keeping the whole place in a ferment by his land disputes; it is therefore my intention to institute the Island Councils of these two islands on my next visit.

The laws required by a primitive people like these are few in number but peculiar in character, and are very much required. For instance, it has become the fashion to provide each wedding-feast with many thousand more cocoanuts than the people can use, so that the parents may be able to boast that more nuts were supplied at their children's wedding than had previously been seen at a feast. This absurd custom seriously affected the production of copra, and therefore all of the sensible men have endeavoured to put an end to it. Panapa, a teacher of the London Missionary Society and a very able man, was called upon to assist those who opposed this extravagance, and he made a law restricting the supply of cocoanuts at marriage-feasts to five hundred from each of the contracting parties. All sincere Church members obey this law, but others do not, and it will therefore result that one of the first Ordinances passed by the Council of Manihiki will be to restrict the number of nuts at marriage-feasts, for experience has shown that the supply of copra has heretofore been governed by the marriage market. I have mentioned this instance in order to show how unlikely it is that either the people or Parliament of New Zealand will understand the motives that actuate the Polynesian when regulating his own affairs.

The administration of the law in both these islands leaves everything to be desired. During my last visit many complaints were made to me, but I could do nothing to help the injured parties, for the jurisdiction of the High Court had not then been extended to the northern islands. I found that the native Judge was blind and childish by reason of his age, and that a clique of influential men governed the Judge, and advised him in open Court as to the decision he should give. The land disputes were numerous, and I was asked to hear and decide several, but had to