

of public opinion and intimidation that may influence them. Clannishness, or *magafaoa*, is very strong in Niue. I have informed them that the New Zealand Government has undertaken to maintain law and order in Niue, and this object will be accomplished even if it is necessary to obtain magistrates and constables from elsewhere.

I cannot recommend that any concession in the matter of pay should be made to them under coercion, as similar trouble would again arise. I see no reason for discontinuing piecework on the roads. It is impossible to supervise several gangs working in different localities, who would seize every opportunity to shirk work if on daily pay. Also, only a limited number of the strongest men would be employed on day-pay, whereas on piecework large numbers assist and earn a little money, of course reducing the average amount earned per head in consequence.

It seems as though a wave of insubordination is passing over these Islands, as Mangaia appears to be experiencing similar trouble.

I informed the people that when the roads are made, and other urgent public works completed, I would recommend that an increase of pay be granted to the officials. Also, that as nine members had been formally elected, I would call a meeting of the Council as soon as I was ready to proceed with business; and if in the meantime Alofi does not furnish the names of two members required, I shall take it for granted that the two former members are to remain in office for the current term of three years.

The most difficult matter to deal with is intimidation. I have a gang of surfacemen at work on daily pay, and they have been threatened with violence if they do not join in the strike. They will not divulge the names of their intimidators so that I could prosecute them. This is another instance of clannishness. The police and Magistrates are not to be depended upon, as they secretly favour the movement, though professing otherwise. I think the best course is to exercise a waiting policy, and the matter will probably fizzle out.

I have, &c.,

C. F. MAXWELL,

Resident Commissioner, Niue.

The Hon. C. H. Mills, Minister in Charge,

Cook and other Islands Administration, Wellington.

No. 77.

SIR,—

Rarotonga, Cook Islands, 8th October, 1904.

I have the honour to report, for the information of the Government of New Zealand, that the following have been completed to date, viz: A house for the Resident Agent at Mangaia, with public offices attached in accordance with the plans already forwarded to you: The vote for this service was £450, but the actual amount expended will hardly exceed £350. A residence for the Medical Officer at Rarotonga: This house is not so large as that of the Collector of Customs, but is one of the best-built and most convenient on the island—large rooms and of the best quality of concrete. A concrete bridge over the Vaikapuangi Creek: This is a most substantial piece of work, and will practically last for ever; the cost has been about £100, and this is by no means out of the way, for a wooden structure would cost at least £50, and the planking would require renewal every six years, and the remaining timbers every twelve years. I am also embanking the creek with a rough stone wall, and there will be much filling in behind the wall, which will greatly improve the appearance of the village, and would be expensive were it not that I have arranged with Makea to call out all her people for two days to finish this part of the work.

I have further to report that about 100 tons of coral stone has been collected and stacked in the village in anticipation of the building of the accommodation-house.

As to the passages through the reefs at Mangaia and Atiu, I question whether any permanent good will result from the work done by the "Clio," and in making this statement I am in no way reflecting on the work in question, but I am of opinion that no satisfactory passage can be made through a reef where there are no fissures, except by the slow and laborious process of boring holes in the coral and systematically blowing the passage out with dynamite. The gun-cotton used by warships has very little effect on a solid, flat reef. It will therefore be found that the money spent in bringing the "Clio" here has been wasted, and that we could have done better work for half the money. I have now employed a practical miner from New Zealand to take in hand the Mauke reef and mine a passage through it, and have supplied him with the necessary material. If the operations at that place are successful I will then take in hand both Mangaia and Atiu.

I have, &c.,

W. E. GUDGEON,

Resident Commissioner.

The Hon. C. H. Mills, Minister administering the Islands, Wellington.

No. 78.

SIR,—

Eastern Pacific, Rarotonga, 10th October, 1904.

I have the honour to suggest that the following Resident Agents should be appointed at a merely nominal salary of £10 per annum: Tararo Ariki, for the Island of Mauke; Tou Ariki, for the Island of Mitiaro. These two chiefs have been acting for the last two years in the above capacity, and, as they have proved themselves to be fair-minded and moderate men, I am of opinion that they are now entitled to receive definite appointments. I would also point out that the only alternative to this measure is the appointment of European officers, and this we cannot afford in the small islands.