

exports; and there is really nothing to prevent our producing 9,000 tons per annum from these islands, if once the people realise that the cocoanut-palm is the true source of wealth. Even though the present excessive price of copra should not be maintained, and we should revert to the old rates, the cocoanut will still be the most valuable of tropical products.

My report for 1905-6 dealt so exhaustively with all matters connected with this Group that it is not necessary that I should refer at any length to the trade prospects thereof; but I may say that the Islands will never be satisfied with anything less than the protection against foreign competition, which would seem to be the right of every one within New Zealand proper.

In Schedule C the comparative exporting-power of each of the thirteen islands is set forth, and this return will, I submit, be of very great value as a record of development.

THE GOVERNMENT SCHOONER.

I have the honour to attach hereto a report by Mr. Blaine on the working of the schooner for the year ending the 31st March, 1907. By reference to this report it will be seen that the loss for the year has been £436 13s., and I submit that this in itself is a good and sufficient reason why the boat should be sold as soon as possible after she has fulfilled her engagements by the July trip to Malden Island. I propose to lay the vessel up after this trip, pending her sale. I would point out that for the last four years we have imported large quantities of building-material, water-pipes, &c., for the local Administration, and have saved a good deal of money thereon by reason of the reduced rates charged by the schooner. It is therefore a fact that the local Government have not always lost the money shown as lost on the running of the schooner, for had we been required to pay the £2 per ton which is the regular charge of the Union Steamship Company the importation of cement, pipes, timber, and furniture would have cost a much larger sum than is now shown on the Treasury books. Most of the heavy and urgent work has now been finished, and for the future our imports will be but small; there is therefore the less reason why the boat should be retained on this trade.

PUBLIC WORKS.

During the past year many useful pieces of work have been taken in hand and finished. At Aitutaki £272 5s. 9d. has been expended on the following urgent works—viz., binding floor of concrete to the stone jetty, water-tank and bathing-place at Arutanga, repairs and improvements to the quarters of the Resident Agent, and a large concrete tank at Vaipae. At all times the water of Aitutaki is of bad quality, but during the past dry year it has been dangerous to the health of the people. It is therefore a work of necessity that large tanks should be erected for the people at each village. During the present year I propose to build another tank at Nikaupara, at a cost of £75, and this will, I hope, provide the water necessary to insure the health of the people of Aitutaki.

At Mangaia the old Courthouse has been reroofed and repaired, a platform for perishable cargo erected in cargo-shed, and the walls round the Government grounds repaired. The really urgent work of this island is a boat-passage through the reef; but this is a work that cannot be undertaken with any prospect of success until we can obtain a hand-drill that will bore a hole at least 10 ft. or perhaps 12 ft. deep, and can be used where there may be a foot of water on the reef. Several attempts have already been made to blast passages through the reefs with ordinary appliances, and in every instance they have failed, the shots not being deep enough to obtain a safe passage. If, however, we can obtain suitable hand-drills so as to blow out a fairly deep passage, I intend to commence the work this year, and have placed £200 on the estimates for that purpose.

The very large amount of fruit that is now shipped from Rarotonga has necessitated a large expenditure on bridges, in order to facilitate the transport of the produce. At Avatiu a ferro-concrete bridge has been erected of the most permanent character, and this has necessitated the purchase of a piece of land in order to straighten the channel of the creek. It will therefore be seen that the cost of the structure includes also the land purchased and the digging of the channel.

Over the Avana Creek at Ngatangia a ferro-concrete bridge of two 20 ft. arches has been erected, involving very heavy work in the matter of approaches and causeway on the northern side. In accordance, however, with the old custom of the Islands, most of the earthwork has been done by the Ngatangia Tribe, aided by a substantial subsidy from the local Government and another from the European settlers. Three small wooden bridges have, as a temporary measure, been built over the worst creeks in the district lying between Arorangi and Titikaveka.

Most important of the public works we have undertaken is, however, the water-supply for the villages of Avarua and Avatiu. The main pipes of this line are 6 in. in diameter, of spiral steel, manufactured in New Zealand. The length of the main pipe is 6,347 ft. from the inlet to the Government buildings on the coast, delivering at that point, if required, 19,000 gallons per hour, with a pressure of 58 lb. to the square inch. From the Government buildings 2 in. pipes lead east and west along the beach for a few hundred yards, and are fitted with standpipes at intervals for the accommodation of the public. The total cost to date has been about £1,350, of which only £500 was voted last year, and the balance will be provided for in this year's estimates. To complete the work and connect with all the houses will cost about £2,000, and I submit that it will be money well spent, and will probably save many lives.

Of the 227 acres of Takutea, 116 have already been planted with young cocoa-palms, leaving only 111 acres, which I propose to plant with as little delay as possible, for it cannot be doubted that this is a most valuable property.