I enclose the following:—Enclosure No. 1: Minutes of the meeting of 28th September. Enclosure No. 2: Minutes of Council of 1st and 3rd October. Enclosure No. 3: Copy of laws passed by the Council—viz., (1) For the good Government of Aitutaki; (2) for appointing Judges; (3) to define and punish Bribery; (4) to define and punish Rape; (5) to settle disputes about Land; (6) to limit the use of Dynamite. Enclosure No. 4: Minutes of Government meeting, 3rd October, 1891.

Your Excellency will observe that the law creating the Council and Government differs in some material respects from the law in other of the islands. The reason of the differences will be best

made clear by describing the general condition of this island.

The arikis number eleven. Of these four are called kings, though without power or income, and with their titles disputed by some of the remaining seven, who declare themselves to be of the real elder branch of the particular family in question. All are watchfully jealous of each other, and very sensitive on points of rank or precedence, as affecting not only their own claims but the rights of their children. The arikis are not large landowners, and have not, as in Rarotonga, claims to service from any class of the people. Their rights, and those of their children, were the subject of keen dispute in the Council. It was advisable that they should have some official recognition; and they were quite satisfied with the admission of four of their number by right to the Council and Government, and of a fifth to be annually elected to the Government by the whole eleven. The representatives of the rest of the people number eighteen in the Council and six in the Government;

and the arrangement was accepted in the end by both sides as satisfactory.

The "Governors" have been a very important body, and, with the police, the real rulers of the island; they make and execute all laws, are well organised, and number no less than fifty-eight in all. The name "governor" is comparatively recent, but the body is ancient, and consisted originally of chiefs, to whom was assigned the election of the arikis. This election was always from the elder branch, unless good reason existed to the contrary; but the result was not always accepted as conclusive by the people. Hence the conflicting claims of to-day. The Governors still exercise the privilege of electing and even of removing an ariki, but they no longer consist of the chiefs. Their number has of late years been greatly increased by the creation of Governors, from time to time, as the ruling party might deem expedient. I have caused their names to be inscribed in the Council's records, and retained for them the right of electing successors to the present arikis. They are satisfied with this. No provision is made for adding to their number, so that it will gradually decrease.

The police are the most powerful body in the little State. They are less numerous than at Mangaia, having been lately reduced to thirty-four: thus, with the Governors and Arikis, making one to about every fourteen of the whole population. The police are irresponsible, and under no control, while the Judges regard them as colleagues, and base their judgments almost invariably on the information of the policeman. There is little or nothing of what would be called crime in the island. The offences are almost entirely infractions of the liquor law, or of the moral law. But the fines are heavy; and upon them and the market fees, the Arikis, Judges, Governors, and police all depend. At stated intervals they divide the proceeds among themselves instead of

Naturally there is a keen desire to hold offices which not only give power and pay to the haturary there is a keen desire to non omes which not omy give power and pay to the holder, but at once place him in a position of marked superiority. The contest for office creates much division and discontent. Those who are excluded consider themselves ill-treated, and feel bitterly aggrieved. In this way were formed the seceding settlements of Vaipae and Tautu. The former was formed about thirty years ago, and now consists of 350 souls. The latter was formed about six years ago, and consists of 250 souls. These people abandoned the really good stone houses owned by them in the central settlement, into which all were gathered at the introduction of christianity and they are now at Tautu still in the rade native houses temporarily created of christianity, and they are now at Tautu still in the rude native houses temporarily erected. They have, however, built one of the prettiest stone churches I have seen in the Islands, and the Rev. W. Lawrence, the missionary in charge of Aitutaki, accorded them a native teacher in face of keen opposition, such as that they were experiencing in political matters on my arrival. Their claim, and that of Vaipae, was for separate Judges, so that their people might be dealt with by one of themselves, and not by one of the party with whom they had so long been at issue. This is the more natural, as under present conditions no confidence is felt in the administration of justice. saw no reason why separate Judges should not be granted to them. After hot debate, the Council agreed, on condition that the fines were all put into one box—a condition to which Vaipae and Tautu readily acceded.

Confidence in the Judges, and the avoidance of further secession, can only be secured by giving all the officials fixed and adequate salaries. I have explained this to the Council; but the idea is to them so new that I have thought it better only to ask them to consider the subject carefully, and let me know the result in Rarotonga. I have great hopes that they will put their officials on the right line, though it can hardly be expected that they will grasp the whole subject at

I may add that very cruel punishments were at one time the practice here, as in other islands, but have ceased for several years. Though not cruel, they are still curious. For example, at the present time, if a man quarrels with his wife and leaves her, or vice versa, the police "put them in irons," as it is called. In other words, they handcuff the right arm of one to the left arm of the other, and keep them so, often for days, till their differences are amicably arranged.

The people all own land, but disputes as to ownership are constant. They arise from various

causes, chiefly from the bequest to an adopted child, and the dispute of the will by the next relatives. The practice of adoption is very general, and the disputes are in proportion. The land is also divided often into small sections, and one man may own twelve or thirteen, widely apart and useless. Time, and probably money for survey, will be required for the remedy of these evils.