

more especially with the object of turning the Avarua Stream, in order to prevent the discharge of shingle into the harbour of the same name. By the same operation a first-class bathing-pool of large extent has been created in the Vaikapuangi Stream, and will supply a long-felt want.

Mr. Connal's report will show why the reef passage of Mangaia has not been commenced. Speaking generally of these very experimental works, I may say that I know of no single instance in which one of these artificial cuts has been a success. In most cases the experienced Natives avoid them altogether in bad or even rough weather, and it seems clear that we need not hope for success unless we follow the course indicated by Mr. Connal and approved by Mr. Coane. In such case the cost of each passage will not be less than £2,000. This sum of money may prove to be beyond our means except perhaps it be spent at the rate of £400 per annum, but in the meantime we will carry out the blasting operations, and save all of the coral rocks removed for future training walls.

In these remote and barbarous islands, where civilisation has hardly commenced, there is much to be done, and every ridiculous little island believes itself to be the central point of the universe, and demands greater consideration than is shown to other islands, and is irritably jealous of everything done for other places or people. There are, however, certain works that are urgent, inasmuch as the health of the people or their trade may be prejudicially affected by not carrying out these requirements. The following works I regard as coming within this definition: Two large tanks at Oneroa Mangaia, to catch rain-water; one more tank at Aitutaki; drainage of the Avarua lagoon or swamp; concrete bridges, Rarotonga; reef passage, Mangaia; reef passage, Mauke; reef passage, Atiu (most important, for this is a very fine island).

These works must sooner or later be undertaken, but I do not intend to embarrass the island finances by undertaking more than we can comfortably pay for. Our public-works estimate for any year should not exceed £1,200 per annum.

REVENUE AND EXPENDITURE.

Our surplus on the 31st March, 1907, was £3,424 0s. 10d., and on the same date of the present year it had risen to £3,583 12s. 10d., after providing for the ordinary expenditure of the group, and the payment of no less than £2,134 1s. 5d. on account of public works entered into and completed during the year.

To our cash balance of £3,583 12s. 10d. must be added the outstanding fees of the Land Titles Court—viz., £1,511 3s. 10d. for work done but unpaid. Our true surplus is therefore £5,094 16s. 8d. This is a very satisfactory financial position, for I would point out that the public works of the group have not been neglected in order to provide this surplus. In the last eight years we have spent £11,102 in the acquisition of land or in useful works.

The revenue actually collected (Form D) amounts to £6,349 6s. 1d., and the expenditure (Form E) to £6,189 14s. 1d. In the matter of public works, the expenditure largely exceeded the original estimate, but, thanks to the unexpected development of the revenue, we had not, as I had anticipated, to draw on our surplus to meet engagements. Financially we are not only sound but prosperous.

Form F discloses the accounts in connection with the sale of liquor from the bond, and it is an interesting fact that very few people take advantage of their right to import their own liquor, but prefer to buy it as required direct from the bond, and this being the rule, the administration of the Act in the interests of temperance is a simple matter.

In Forms G and H will be found the estimate of expenditure for the year 1908–9. In this estimate of ordinary expenditure there will be a few increases in order to provide a living-wage for those employed, but the amount required will be less than that of the previous year.

In my report of last year, under the heading of Revenue and Expenditure (page 6 of parliamentary paper A-3, 1907, Cook and other Islands), the revenue, by a clerical error, has been given as £5,246 14s. 11d. The correct amount is £5,046 14s. 11d.

THE ISLAND COURTS.

On the outlying islands where there are few, if any, Europeans, and the circumstances of the island do not require the presence of a Resident Agent, the so-called Arikis Court is the only tribunal for the punishment of offences or the redress of grievances. Even in a purely Native island this tribunal is unsatisfactory, but that there should be an Arikis Court in Rarotonga is, I think, absurd, and I submit that the time has now arrived when Makea should be told that the Arikis Court of Avarua is no longer required.

There is a great deal of bush-beer drinking in this village, but I cannot find that the offenders are punished by Makea, and if they are punished, they either do not pay their fines, or they may pay them to the Clerk of the Court. I have pointed out to the police that Makea has no jurisdiction to hear cases under the Licensing Act, but I know that these cases are still brought secretly before her. Drunkenness is the besetting sin of the Cook-Islanders, and the Licensing Act requires to be sternly administered; but this cannot possibly be done while the Avarua people come before Makea and the Arorangi offenders come before me. There are certain offenders that I have reason to know escape all punishment on account of their family, and in many respects the Arikis Court of Avarua is objectionable, and should be abolished.

W. E. GUDGEON,
Resident Commissioner.