

In last year's report the necessity of providing Aitutaki with a shed to facilitate the shipment of fruit and to improve the conditions of shipment was referred to. During the year this work has been completed in a most satisfactory manner, and well under the estimate of the Engineer. Rails have been laid from the shed to the end of the wharf, and the result is an improvement of conditions of shipment which is greatly appreciated by all shippers, both Europeans and Natives. The question of erecting a shelter-shed of corrugated iron and old railway-rails at the end of the wharf, so that no time may be lost in getting the fruit away to the steamer, is now under consideration, and this work will be gone on with this year if finances permit. A portion of the main shed will be completely enclosed, and so put a stop to the pillage of inward cargo, which of necessity lies in the shed a day or two before it can be removed.

Some difficulty was experienced with the boating at this island, but arrangements have been made which have overcome the same, and the work now goes on with despatch.

ATIU.

The state of this island has very much improved since the appointment of a European Resident Agent—Major J. T. Large. During March last I paid a visit with the Engineer to the island with the object of seeing what improvements could be carried out with regard to shipping. During the year it is proposed to erect a shed for the storage and inspection of fruit and other cargo, and also to improve the method of communication with the ship.

The following comparative table of exports from this island for the past two years illustrates the benefit derived from placing a European Resident Agent in charge of affairs :—

	Year ending 31st March, 1910.	Year ending 31st March, 1911.
Bananas (cases)	Nil	198
Oranges (cases)	4,614	13,566
Copra (tons)	204	203
Coffee (lb.)	Nil	3,300
Candlenuts (tons)	„	45

As advised in my despatch No. A3/1911/205, of 27th April, 1911, the death of Rongomatane Ariki one of the Arikis of this island, occurred during March last. The election of a successor is now being dealt with.

PENRHYN.

As indicated in my remarks on my visit to the Northern Islands, I visited this island in September last, and was most cordially received by the Natives and other residents. It is proposed to erect two of the 5,000-gallon reinforced-concrete tanks, previously referred to, on the island.

The affairs of the Island are working smoothly and prosperously under the direction of Mr. E. F. Hawk, Resident Agent.

A visit was paid by me to the leper settlement. It was a sad sight. The lepers are provided with food by the Government, and their relations are now being compelled to assist them as well. When the Chief Medical Officer has visited them and rendered his report, all that the Administration can do will be done for such unfortunate people.

MANIHIKI AND RAKAHANGA.

These islands were also visited by me in the "John Williams," and I was warmly welcomed by the inhabitants. As previously stated, affairs here are now in a very satisfactory condition. It is hoped to erect two of the 5,000-gallon reinforced-concrete tanks on each of the islands during the year.

PALMERSTON.

Application has been made by the Masters family for renewal of the lease of this island, which expires at the end of 1912. In view of the fact that the family have been so long in possession of the island which they themselves have peopled, the matter will receive favourable consideration when it comes up to be dealt with.

MAUKE AND MITIARO.

These islands are not under European administration, but are under Native Resident Agents. It is my intention to pay attention to the development of both islands as soon as practicable, and, if funds will permit, appoint for Mauke a European Resident Agent, which is necessary if trade is to be fostered and well developed. Both islands are natural orange-groves, but so far nothing has been done to try and exploit them, in consequence of the Natives not having the services of a European Resident Agent to assist and advise them. Shipping facilities will follow, and so assure the further development of these islands.

I have, &c.,

J. EMAN SMITH,

Resident Commissioner.

The Hon. Minister in Charge, Cook Islands Administration, Wellington.