OUTLYING ISLANDS.

During the year I have visited all the islands under my jurisdiction with the exception of Mitiaro. Where necessary I held sittings of the High Court. I was greatly impressed with the imperative need of frequent medical visitation, the amount of disease visible being appalling. I hope this state of affairs may now be remedied, as facilities for visiting and communication between the Islands are likely to be more popular and frequent by the establishment of more trading stations on the Islands and the recent addition of another trading schooner. A Medical Officer will thus, I hope, be enabled to spend some small part of each year on each island—a course which has not been possible in the past in the absence of a Government schooner. At the present time of writing a doctor is accompanying a vessel which is to touch at almost every island. He will do whatever may be possible for the benefit of the Natives during the stay of the vessel at each island, and leave medicines and instructions with the Resident Agents on his departure.

HURRICANE.

On the 8th, 9th, and 10th January last a hurricane of unusual severity visited the Islands of Suwarrow, Rakahanga, Manihiki, Atiu, and Aitutaki. At Suwarrow, Rakahanga, and Manihiki the damage done was by the overwhelming seas rather than by the force of the wind. The sea rose to an unusual height and swept over the Islands, placing the residents in danger of their lives and destroying the food-supplies. At Aitutaki and Aitu great damage was done by the wind, nearly all the houses being demolished or unroofed, and the coconut and orange plantations devastated. There will be for some time but small export of copra or other produce from the two last-named islands.

At the first possible opportunity afforded by the departure of a schooner from Rarotonga I sent Mr. Connal, Government Engineer, to visit such of the Islands as the schooner (subject to the weather) was able to call at, and to leave food-supplies where necessary. The same vessel also conveyed Dr. Maclurkin, Assistant Medical Officer, as it was apprehended the Natives might be in a condition necessitating medical attention. The doctor reported that the enforced labour resulting from the ravages of the hurricane, and the living in temporary (and therefore well-ventilated) shelters, have been conducive to the good health of the Natives. In no case as the result of the hurricane was there an immediate shortage of food-supplies, although later on it may be necessary to provide the Natives with labour on public works to enable them to tide over the period until their food crops again come into bearing. (I annex the reports of Mr. Connal and Dr. Maclurkin.)

On the 4th April the schooner "Huanui" again left Rarotonga, purposing to call at the Islands of Atiu, Mauke, Mitiaro, Manuae, Aitutaki, Palmerston, Pukapuka, Manihiki, Rakahanga, and Penrhyn. Mr. Connal and Dr. Maclurkin again accompanied her, the former to report as to the necessities of the Natives, with discretion to leave food-supplies, and also to arrange for the carrying-out of certain public works, for which he took necessary materials. The schooner is not due to return until June or July.

EDUCATION.

The Native inhabitants of Rarotonga and Aitutaki evince a lively interest in this question, which I hope will shortly be satisfactorily arranged. When I came here I was asked by the Acting Minister of Education to look into the matter of education and report accordingly, which I did, at the same time advising that the Inspector of Native Schools should pay the Islands a visit, and report to the New Zealand Government what he considers the best method of facing the education question. Mr. Bird, Inspector of Native Schools, came, but unfortunately had not sufficient time at his disposal to visit the other islands.

I had gone into the whole matter with the Natives here and at Aitutaki, and they all agreed to hand over the schoolhouses they had built and the land they stand on to His Majesty the King for school purposes if the New Zealand Government would only send European teachers. I learn the Government intends to place on this year's estimates a sum sufficient to make a good start.

As you are aware, for many years the London Mission Society had schools of a sort—certainly not Native schools as we know them in New Zealand, for go where you will through these Islands you will not hear the Natives speak English in the same free knowledgeable manner they do in New Zealand when they have been to school. At present in these Islands the children are running wild, and the elder people are continually asking, "Are you not going to do something about schools to help us to save our children from going to the bad altogether?"

I am of opinion the subject of education should be grappled with at once if we earnestly wish to carry out what seems to me our obligations and duty to these people. An efficient system of education should be established, paid for by New Zealand proper, and placed under the control of the New Zealand Department of Education.

HARBOUR IMPROVEMENTS.

Consequent on the unfortunate wreck of the barque "Triton" on the 21st December last at Rarotonga this Administration has been able to purchase at a low figure the anchors and cables salved from the wreck by a local syndicate. These are being used in improving the mooring facilities in Avarua Harbour.

LABOUR.

The question of labour for plantation and other purposes is yearly becoming more acute in Rarotonga and Aitutaki. In the latter islands strenuous endeavours are made, and rightly so, by the chiefs and elder people to retain their young men for the necessary work of that island. In Rarotonga there is a tendency to increase the rate of wages, and this together with