

EDUCATION.

We now have at Rarotonga three large schools and one side school, with a combined attendance of 550 Native children. The three head teachers recently appointed Mr. W. C. Smith (Avarua), Mr. H. D. Bannerman (Arorangi), and Mr. S. M. Mills (Takitumu) are assisted by ten other teachers and two pupil-teachers.

The Aitutaki School, with 240 pupils, under Mr. Geoffrey Henry, maintains its good record.

Two teachers have been appointed to Mauke, where a school will be opened in October. Arrangements are in progress for sending a teacher to Mangaia.

Satisfactory reports have been received from the school at Palmerston Island.

Technical Education. At Rarotonga the agricultural class is being successfully carried on by Mr. S. M. Mills, head teacher of Takitumu School, assisted by Mr. W. C. Berridge, the Officer in Charge of the Fruit Department. The woodwork and manual-training class, under Mr. W. C. Smith and Miss L. Smith, continues its excellent work. At all the schools, including Aitutaki, girls' classes for instruction in Native industries, such as hatmaking, basket and mat weaving, have been opened under Native teachers. A carpentry and ironwork class has been arranged for Aitutaki.

Scholarships. Three scholarships, entitling the holders to two years' free education at St. Stephen's School for Maori Boys at Auckland, will be allotted this year. A number of pupils have come to Rarotonga from other islands, and the attendance at all the schools shows a steady improvement.

TRADE AND COMMERCE.

Considering the world-wide shortage of tonnage, the Group has been remarkably well treated by the Union Steamship Company in the matter of shipping facilities.

Our imports, valued at £80,000, show an increase of £21,000 over last year's total. New Zealand supplied £62,000 worth, the United States (£14,000) being our next best customer. Owing to the inevitable curtailment of our shipping opportunities, our exports (chiefly copra, oranges, bananas, and tomatoes) fell from £68,000 (last year's total value) to £60,000.

The fruit and copra crop this year (1918) throughout the Group has been one of the best on record.

This season it is estimated that we will export from 150,000 to 200,000 cases of fruit to New Zealand; but with adequate shipping-space we could send away half a million cases.

These facts suggest that after the war, when such facilities are available with a return to normal freights, there will be an enormous expansion of trade between these Islands and New Zealand.

THE COURTS.

During the year Judge Ayson held a busy session of the Native Land Court at Aitutaki, and several years' accumulation of work was disposed of. The Court has also held a number of sittings at Rarotonga, where all arrears of work have now been cleared up. Mauke is to be the next scene of its labours. I am indebted to Judge Ayson for his assistance in taking the sittings of the High Court when he is not engaged in his own Court.

The High Court at Rarotonga dealt with 855 cases on the criminal side, and 76 civil cases.

During my visit, in November, to the islands of the Southern Group sittings of the High Court were held where necessary, and I also dealt with a variety of public matters. Of these I have already reported to you.

THE WAR.

The economic consequences of the war are being felt by our people with increasing severity. The cost of living continues to rise in a higher ratio even than it does in New Zealand, although as against that must be set our comparative immunity from taxation. Extremely high freights and greatly increased cost of fruit-cases have very seriously handicapped the planters. This season the Native growers have had to accept 1s. per case for oranges and bananas—the lowest price ever recorded.

THE COOK ISLANDS CONTINGENTS.

We have sent to the front four contingents, comprising 402 men. A special call for recruits early this year met with a most gratifying response, and regular drafts are now being sent to Narrow Neck Training-camp. A Cook Island soldier, Corporal George Karika, the son of one of our leading chiefs, Karika Ariki, has won the D.C.M. for distinguished conduct in the field. All their officers give good reports of the work and conduct of our boys at the front.

WIRELESS STATION.

The wireless station has been erected on the site at Rarotonga chosen four years ago. Mr. J. R. Smith was sent over in March last by the New Zealand Post and Telegraph Department to supervise its construction. He has carried out his duties most satisfactorily, and well within the estimated time. By means of a temporary receiving plant set up immediately after his arrival Mr. Smith has been able to give us a daily bulletin of war news from the wireless stations at Awanui, Samoa, Honolulu, Fiji, and Tahiti. This, translated into Maori, is exhibited at the post-offices, where it is eagerly read by the Natives.

The main station will be in full operation by the end of August. The whole community—European as well as Maori—gratefully acknowledges the provision by the Government of New Zealand of this up-to-date means of communication with the outside world. Besides the special commercial benefits the station will bring to the Cook Islands—and these cannot be exaggerated—it is bound to have an important and ever-increasing Imperial value.