

Recreation.—In December the two villages of Manihiki held an all-day sports meeting to compete for the Ayson Cup, presented by Judge Ayson on his last visit. The programme was made up mostly of Manihiki events, such as sinnet plaiting, basket-making, under-water swimming, fish-spearing, canoe races, &c. Tauhunu Village won the cup by 49 points to 27. This was the first sports meeting to be held on the Island and it proved so popular that plans are being formed to hold four or five a year.

Pearl Shell.—Owing to the low price of pearl shell there has been little diving, only $2\frac{1}{2}$ tons of shell being exported, as compared with 9 tons the previous year. This shell was taken by naked divers, the diving-machines, owing to the bad market, not having been operated for five years. In view of the small amount of shell being taken, the Island Council decided not to close the season.

Visit.—The Resident Commissioner visited both Islands at the beginning of October. He made inspections of the villages, settled all outstanding disputes, held Council meetings, and introduced the new Resident Agent to the people.

Schools.—Manihiki: The average attendances at the schools are—

London Missionary Society	..	..	..	..	..	..	93
Roman Catholic	..	..	..	..	..	..	26

The schools are well equipped with all necessary furniture and supplies.

Rakahanga: Attendances—

London Missionary Society	..	..	..	..	..	..	40
Roman Catholic	..	..	..	..	..	..	42

Some years ago the people of this Island raised several hundred pounds for the purpose of building a schoolhouse. In October last the material arrived, and in November the school was erected. Every person on the Island assisted in the work—some fishing and procuring food, some preparing the food, cooking and serving it, and the rest doing the actual work. The building was erected in ten days and is now occupied by the London Missionary Society School.

PALMERSTON.

This Island (which consists of a number of motus of a total area of about 1,000 acres) lies 270 miles to the north-west of Rarotonga.

It is inhabited by about ninety descendants of William Marsters, the elder, who went to Palmerston in 1862 to manage the Island for one Brander, a trader. As Brander did not return Marsters remained on in occupation of the Island, but without a title.

At the time Marsters, the elder, went to Palmerston he was legally married to a Native woman of Penrhyn. He also took his wife's sister with him, and lived with both women. Later he took a third woman from Penrhyn. By these three women there are three separate families, each having a head.

William Marsters, the elder, was granted a lease of Palmerston by the Crown in 1892.

He died in 1899. Subsequently a lease was granted in favour of all his issue.

The head of the family from the first or legal wife is William Marsters, the second, who is still alive.

He is an old man of seventy-three, and is the recognized head of the Island.

The present lease of the Island is to the three heads of the families in trust for all the descendants of William Marsters, the elder.

There is practically no inbreeding, in spite of the fact that all three families have been brought up together. Marriages are all with people from other Islands, principally Penrhyn, Manihiki, Rakahanga, and Aitutaki. The present inhabitants are strong and healthy.

Palmerston is an unfortunate Island so far as hurricanes are concerned.

In 1914 there was a hurricane. At the end of March, 1926, the Island was completely devastated. Heavy gales damaged the Island again in February, 1931. The hurricane of February, 1935, again completely wiped out all coconuts and ground crops, and left the inhabitants dependent almost entirely upon fish.

The Island is slowly recovering, but the people are still very poor.

The London Missionary Society (subsidized by the Government) maintains a school on the Island.

A large concrete tank erected by the Administration provides an adequate water-supply.

SUWARROW.

This Island, over which British sovereignty was proclaimed on the 22nd April, 1889, contains an estimated area of 600 acres. It was first occupied by Messrs. Lever Bros., who carried on operations in pearl-shell diving and experimented in the planting of gold-lipped shell from Torres Straits, but without success.

The hurricane of 1914 completely spoiled the Island so far as pearl-shell was concerned, and a great deal of damage was also done to coconut plantations on several of the motus.

The Island, which is 513 miles north-west of Rarotonga, is still under lease, but produces very little copra at the present time.

Owing to the fact that there is a safe passage through the reef, a portion of the Island was many years ago declared an Admiralty reserve.

The Island is a sanctuary for sea-birds, which are very numerous, and there is also good fishing in the lagoon and round the coast.

NASSAU.

Nassau lies about forty-five miles south of Pukapuka, and contains an area of a little over 300 acres. It is owned by the Samoa Shipping and Trading Co., Ltd., and is well planted with coconuts.