

people are noticing the shortage of ready money. Many of their houses, built in flourishing times of wood and iron, are falling into disrepair, and the art of housebuilding in native material has largely been lost.

They have periodical visitations of destructive hurricanes, consequently the homes of the people are disappointingly poor. Endeavours are being made to revive the art of housebuilding and improve the conditions under which the people live. Exceptions to the above are Manihiki and Rakahanga, where many fine houses constructed of native material are still in evidence.

For some years the whole of the medical work of the Group has been undertaken by one Medical Officer (Dr. E. P. Ellison, Chief Medical Officer) with at times an Assistant Medical Officer, and assisted by the few Native medical practitioners, it has, up to the present, been possible to train at the Central Medical School, Suva. It has been impossible for Dr. Ellison to spend more than a short period in many of the Group Islands, and the health and sanitation of the people have suffered as a consequence. Leprosy has manifested itself as very prevalent in the north, particularly in Penrhyn. It requires much attention to prevent its spreading throughout the Group and considerable expenditure in time and money before it is eventually stamped out.

The Northern Islands are practically non-revenue producing and constitute a difficult problem for financing the various administrative activities to which they are entitled. The same conditions apply largely to the Southern Group Islands with the exception that they benefit from a considerable export of oranges.

One of the most crying needs at present is the augmentation of water-supplies, those at present existing being somewhat inadequate on all Islands of the Group with the exception of Rarotonga.

Owing to the decline of the fruit trade during past years, the people have become neglectful of their plantations which provide exportable products (principally bananas and oranges); but it is pleasing to report that with the introduction of Government control of the export and ordered sale in New Zealand of these classes of fruit a new spirit of enterprise and endeavour is very noticeable in all the Islands of the Lower Group, which must reflect in improved conditions of living for the people generally.

The limited public revenue renders the financing of all Administration services a very real difficulty. By Act of Parliament the Administration is required to supply free medical attention and hospital accommodation for all Maoris; the same Act makes school attendance compulsory. These services are both heavily subsidized by the New Zealand Treasury, without which assistance it would be impossible to carry them out. The provision of suitable teachers for the many schools of the various Islands is a difficult and costly task, and, although the aim of the Administration is to replace as far as possible European teachers with Native trained teachers, the process is necessarily a slow one and heavy expenditure will be necessary for some years to come.

The Native people are naturally of a happy, carefree disposition, and crime of a serious nature is practically unknown. They are, however, in a state of transition from the ancient custom of blindly following the Arikis and chiefs to a more independent and individual spirit which manifests itself to an increasing extent from year to year. As European influence has grown, the power and authority of the Ariki have gradually waned. This is more apparent in Rarotonga, where civilization impinges more closely and presents difficulties of administration that are constantly present.

Owing to the depressed financial condition during the past decade the Land Court work of the Group has fallen into heavy arrears. This constitutes one of the greatest problems of administration to-day. The land of the Maoris is their all, and their land rights are jealously guarded. The present indefiniteness of title causes much concern to the interested parties and retards permanent planting and agriculture generally to an unbelievable degree. It is urgently necessary to press on continuously and systematically with the arrears of the Native Land Court work in all Islands of the Group.

The infrequency of the shipping service between the Cook Islands and New Zealand—a four-weekly service only—is a severe handicap to trade. The service during the orange-export season is divided between five Islands, but in a four-weekly period the one vessel can call generally at three only. Consequently some Islands receive only a two-monthly call. The loss of oranges on this account runs into many thousands of cases per annum. Even the monthly call is responsible for the loss of much fruit which has ripened in the interim and which cannot be exported. The infrequency of shipping also deters growers from attempting to export quick-growing crops such as beans, &c., for which there is, during certain seasons of the year, a ready market in New Zealand.

Until better facilities for handling the fruit trade are provided, the industry—the life-blood of these Islands—cannot be properly developed, and financial assistance from New Zealand will be necessary to subsidize the administration activities of the Cook Group.

TRADE.

For the year ended 31st December, 1937, the value of exports was £86,333 (£67,556 for 1936) and imports £86,534 (£72,576 for 1936), showing an excess of imports over exports of £201. Full details are shown in Appendix B, page 17.

This is a substantial increase in total trade figures since the low figures that marked the depressed condition of 1934—a total increase over that year of £52,111.

Copra Trade.—A total of 1,629 tons of copra was exported, of which a quantity valued at £27,351 was exported to the United States of America and the remainder, valued at £986, to the United Kingdom.