A small quantity of copra only has been made on account of the low price offering and also on account of the fact that the people use more nuts for food than formerly owing to the decrease in demand for mother-of-pearl shell and pipi pearls.

High Court.—There were 156 criminal cases during the year, but none was of a serious nature.

Medical and Public Health.—Apart from two mild outbreaks of influenza and a mild epidemic of measles, the general health has been satisfactory. A Women's Committee has been organized in each village and performed good work in assisting in sanitation and hygiene.

Public Works.—The veranda at the Residency was renewed, and the Government wharf, on which the Residency stands, has been strengthened with a facing of cement. All buildings have been kept in good order and painted regularly. Tanks also have been kept in good order.

A new launch, 26 ft. long by 8 ft. 6 in. beam, with a Diesel engine, was built and launched.

Education.—The work and attendance at the two subsidized London Missionary Society schools has been satisfactory throughout the year.

Planting.—Planting has been steadily carried out.

General.—The year under review has been a very poor one for the Native people. The rainfall has been very light and the coconut palms have suffered badly for the want of water. Consequently, nuts have not been plentiful, resulting in a diminution of the food-supply.

MANIHIKI.

Trade and Shipping.—There were six schooner calls during the year. The "Tui Cakau" also called to transfer lepers to Fiji.

Only $2\frac{1}{2}$ tons of pearl shell were exported. One hundred and forty-nine tons of copra were shipped, as against 272 tons in 1937 and 287 in 1936. The decrease is directly due to the very low price paid for copra during the year.

High Court.—For the twelve months there were 179 criminal cases, none being of a serious nature. One civil case was heard.

Medical and Public Health.—The general health of the people has been good. There was one mild outbreak of influenza and one case of measles. Fortnightly inspections of villages were carried out.

Public Works.—All roads have been kept in good repair. A mile of new road was made during the year along the lagoon shore into the coconut lands. Care has been taken to keep the water-supply in good order.

Two new latrines were built. A new veranda 70 ft. long by 16 ft. wide was erected at the Courthouse. The Government wharf in the lagoon was enlarged. A work-shed and tool-shed both of native materials have been built.

All the above work, including five large lime-kilns, was carried out by free labour, at little expense beyond food-supplies.

Education.—At the London Missionary Society's subsidized schools and the Roman Catholic schools work and attendance were satisfactory.

Planting Lands.—Attention is being paid to the planting of lands. The people are attempting to grow kumera, taro, arrowroot, and other island foodstuffs, and are meeting with some measure of success.

RAKAHANGA.

Trade and Shipping.—There were six schooner calls during the year. The "Tui Cakau" also called to transfer lepers to Fiji.

During the year 166 tons of copra were shipped, as against 175 tons last year.

High Court.—One hundred and fifteen criminal cases were heard, none being of a serious nature-

Medical and Public Health.—The health of the people has been good. The fortnightly inspection of the village was carried out regularly, and the Women's Committee assisted greatly in keeping the village clean.

Public Works.—Roads have been kept clean and in good repair. A new flag-pole has been erected in the centre of the village.

Education.—Work and attendance at the London Missionary Society's subsidized school and the Roman Catholic school were satisfactory.

Planting of Lands.—Planting has been steadily carried on, and puraka plantings increased 20 per cent. during the year. The people are attempting to grow kumera, breadfruit, taro, and bananas.

General.—The King George VI Coronation Sports-ground was finished in June after twelve months of work given free.

The people have spent much time in repairing and improving their houses.

Little rain fell during the year. The Island suffered a moderate blow in January, when minor damage was done.