A.—5.

PORT MORESBY AND THE VALLEY OF THE LALOKI.

Port Moresby, as the head-quarters of the London Missionary Society, is the best-known and the most important point on the coast of British New Guinea. It is a magnificent harbour, though a good deal cut up by coral patches, and it will require to be well buoyed and beaconed before it can take rank as a first-class port. The inner or Fairfax Harbour is completely landlocked, with very fairly even soundings, giving four and five fathoms. The surrounding hills do not leave much level ground on the shores of the harbour, and the country has often been spoken of by visitors as dry and comparatively barren. The past season has been an exceptionally moist one, and I have only known it under this favourable aspect; but in the valleys and on the slopes of the hills there are many fine specimens of forest trees, and the enclosed plantations of the natives lead me to conclude that the climatic conditions of Port Moresby are not so unfavourable to cultivation as they have sometimes been represented to be. The native village of Hanuapata, built in the shallow water between the Island of Elevara and the rising ground on which the mission premises are situated, is a collection of somewhat fragile tenements built on piles. The native population numbers about eight hundred men, women, and children, the children being pretty numerous. There are some small villages at the head of the harbour and on the hills lying to the north-west of the Mission-station. The native population thus indicated, including those occupying the littoral of the bay, and the detached villages on the hill-sides, does not exceed 1,200. A road passing up a valley at the back of the Mission-station crosses the surrounding range of hills at a summit of about 400ft., and thence decends to level country, which it traverses for some eight miles, until the Laloki River is reached. The whole of this country, and indeed almost the whole valley of the Laloki, is unoccupied by the natives, and is only used occasionally by them as hunting-ground, which they beat for

SURVEYS AT PORT MORESBY.

The late Special Commissioner authorised Mr. Assistant Deputy-Commissioner Musgrave to purchase certain portions of land from the natives. These instructions were somewhat enlarged by me, and have resulted in the acquisition of a continuous block of land, amounting to some nine hundred acres, which will be quite sufficient at present for purposes of immediate settlement, whenever it is deemed expedient to authorise it. It seemed to me to be very desirable that the land thus acquired should be defined by survey, and for this purpose I secured the services of Mr. Cuthbertson, a gentleman who had carried out similar work in British North Borneo, and in Northern Australia, at Port Darwin. The surveys have been carried out by an efficient party of six Europeans, at a cost of £787. Mr. Cuthbertson has now completed the plans, which are well executed, and include a feature-survey of the country for eight miles out of Port Moresby on the road to the Laloki crossing. Mr. Cuthbertson's report is attached (Appendix C), as also a paper by Mr. Musgrave on this subject. In connection with the survey of the new township of Granville I have arranged that Mr. Goldie shall receive, in exchange for the site he at present occupies near the Mission-station, certain allotments in lieu of those surrendered by him for the use of the natives. I have purchased his store, which I propose to convert into a school for the natives, and he is now erecting a new store on the new site, which is more healthily situated.

NATIVE POLICY OF PORT MORESBY.

I am able to report that the officers of the Protectorate resident at Port Moresby have acquired a very considerable influence over the neighbouring native population, and that this has been exercised with very beneficial results in repressing the intertribal atrocities which are the normal incidents of New Guinea life in its savage state. During the short period of little more than twelve months since Mr. Assistant Deputy-Commissioner Musgrave has resided at Port Moresby, he has extended his controlling influence to the Hula district eastward, and to the Manumanu and Kabadi districts westward. He has been faithfully and intelligently aided in this policy by the Messrs. George and Robert Hunter, who were appointed as Native Protectors by the late Special Commissioner. They are both of them familiar with the native language, and have been constantly employed in moving about, both along the coast and inland, acting in every case under the instructions of Mr. Musgrave, who has certainly acquired a decided ascendancy over the native tribes within the area described. In order to further their work I thought it desirable to purchase a small cutter of ten tons, which is now constantly employed on the coast. This influence has now extended even as far as Aroma and Kerefunu, which places I have myself visited several times. On the last occasion of my visit I arranged terms of pacification between these powerful tribes, and I had the satisfaction of ascertaining that they were anxious to extend this compact to the Anamarupu tribe, with which they have been constantly at variance. I am anxious, however, to consolidate our influence over the area we already command, without extending it too rapidly. I attach Mr. Musgrave's report on native affairs (Appendix D). It is of considerable importance as indicating his method, and in this matter he has displayed a zeal which deserves the success which has already attended his efforts in his most useful work. The present force at the disposal of Mr. Musgrave at Port Moresby consist