

*Candlenuts.*

This industry has been long in abeyance, but it has been revived during the past year, and 145 tons shipped to New Zealand. It is due to the labour of women and children that this industry has been revived, and it probably will not be permanent, for it requires considerable skill to free the kernel from the hard shell, and I doubt whether an expert would make more than 1s. 6d. per diem, for only £5 per ton is paid for the dried kernel.

*Beche-de-Mer.*

During the year 1902, 4 tons weight of this sea slug have been gathered in the Aitutaki Lagoon and exported to New Zealand. The industry is said to pay well, and if such is the case it will extend quickly, for there is no lack of the black variety on any coral reef, and the lagoon at Palmerston would probably supply 10 tons per annum.

*The Health of the Group.*

Credit is due to the Resident Agent at Penrhyn, who has at last placed the lepers of that island under proper care and control. He has induced the Island Council to set aside 1 per cent. of all shell taken from the lagoon, in order to purchase food and clothing for these unfortunate people, with the result that they are no longer left to the doubtful charity and control of distant relatives, but receive regular supplies of provisions. The same officer has caused all of the canoes to be removed from the island on which the lepers are confined, for the reason that he found that they were in the habit of visiting the different settlements by night, and in so doing were aided by their relatives. Under present regulations no one is allowed to visit the leper island, Morokai, unless he is under the supervision of the chief police officer of Omoka, who is a reliable man, and this restriction includes ministers of religion, who are expected to conduct to conduct their services, if possible, from the boat.

Since my last report one leper has died, and I am happy to say that no fresh cases have been reported.

Until lately there has been a leper resident among the people of the Tauhonu Village, of Manihiki; but the Resident Agent, aided by the Council, have now isolated this man on the extreme point of the island, nearly two miles from the village. This has not been done without difficulty, and Mr. Williams has caused much bad feeling and ill-will towards himself by his action, for it is not easy to make a Maori understand the necessity for isolation in such cases.

During the year 1902 there has been much sickness in the Group, owing to the introduction of measles and Cape cholera from New Zealand, the latter disease having caused many deaths, but from the former very few have died except at Aitutaki, where the disease was brought from Tahiti, and was of a very virulent type.

I submit the following return of the vital statistics of six islands :—

							Births.	Deaths.
Rarotonga	...	...	...	...	...	...	73	68
Mangaia	...	...	...	...	...	...	59	53
Aitutaki	...	...	...	...	...	...	34	40
Atiu	...	...	...	...	...	...	22	23
Manihiki	...	...	...	...	...	...	13	12
Rakahanga	...	...	...	...	...	...	5	9
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*The Land Titles Court.*

This Court was opened at Aitutaki in December last, and of the forty-six applications before the Court twenty-one were heard and decided during the three weeks' sitting. Most of the cases heard were long-standing disputes that had been heard and decided by each succeeding Native Judge for the last thirty years, but in each instance the defeated litigant had announced that he would not abide by the decision of the Court. Now, the Maoris realise that there is finality in the decision of this Court, and as a natural sequence regard it as a valuable institution. I hope to resume work at Aitutaki in July, when all lands that pass the Court will be surveyed at once.

During the month of February the Court visited Penrhyn, Manihiki, and Rakahanga, where twenty-four claims were heard and decided, twenty-two of which were forthwith surveyed; and so numerous were the applications at Penrhyn that I found it necessary to promise that the Court would sit in that island during December and January next, and as far as possible define the ownership of the cocoanut lands of that island.

In Rarotonga, Makea and Pa Ariki vigorously support the operations of the Court, and Mr. H. M. Connal is now engaged in the survey of the Takitumu district, which is rather more than one-third of the whole island. Makea, Pa, and Karika are large landholders in this section, and it is their intention to lease to Europeans.

Makea has become alive to the fact that Maori tenants are not an unmixed blessing, and that the rent paid by a good European tenant is preferable to the pig that is so seldom forthcoming from the Maori even when demanded. It seems probable that at no distant date the Titikaveka district, one of the best in this island, will be settled by Europeans only, and in such case it will soon be one grove of palms. 354 acres are already under lease to foreigners, and have been planted or are in course of planting, the new owners being alive to the fact that from this land they may expect nearly a ton of copra to the acre.