sent are unproductive might be leased in this district, and would in such case support thirty white planters and their families in comfort. At the present moment the Native owners would seem to have taken some objection to leases and prefer to keep the land in their own hands, even though it be absolutely unproductive and they derive no benefit therefrom. This state of mind is not unnatural in a Maori, for he is by nature both greedy and envious, and when he sees the land from which he has derived no benefit covered with waving cocoa-palms only a few years after the date of the lease the sight is not pleasing to him, and his feelings find vent in the remark, "This European is making money out of my land." It does not occur to him that the European has probably spent not less than £10 per acre before he obtained any return, and if such thought did occur it would not alleviate the bitterness of the reflection that he himself had neglected opportunities of which the European had taken advantage.

The question of these waste and unproductive lands is one of the utmost importance to this small community. We cannot expect a better steam service than we now have unless we can increase our exports, and without the aid of white planters this cannot be done. Our fruit will never be properly prepared for the New Zealand market until it be done by Europeans, who send their own produce to the market. The dried-banana industry may become of very great importance to us, but it can only be developed by Europeans, who, if they can obtain a share of the waste lands, will do all of these things and much more.

I have drawn the attention of Makea to this question with the object of inducing her to have a thorough inspection of the lands in the occupation of her people, so that she may fine or eject those who have neglected the lands in their occupation. Something may be done in this way, and Jimmy te Pou will assist Makea in this direction. I propose also to enact a Vagrancy Ordinance to bring the lazy young men to a sense of their position, but it is only from New Zealand that I can receive the power to deal effectively with the waste-lands question. If in any future legislation for the better government of these Islands I am empowered to impose a tax of not exceeding 1s. per acre on unimproved lands, those lands will at once be leased, the prosperity of the island assured, and the owners of the land will receive something from their property.

The granting of leases to Europeans involves neither injury nor hardship to the Natives. About the year 1830 the population of Rarotonga was rather more than six thousand, and the inhabitants of that period found no difficulty in procuring food though they were then restricted to the indigenous banana, the taro, and the bread-fruit. Since that date the population has decreased until it is now barely 1900, and is likely to be less. The natural result of this decrease is that the people can now live without work—which was not the case in old days—and there is much waste land. There are, however, people on this island who take a sentimental and mistaken view of the land question, and who are quite capable of advising the Natives not to lease.

The Northern Islands.

In the Northern Islands the work done has, for the most part, been confined to a settlement of the rights of the London Mission to their church, school, and mission-house sites, and under this head fifteen orders have been made. At Manihiki the Court investigated the title to three disputed Native blocks and settled two disputed wills. At Penrhyn only one Native case was heard, but both at that place and at the other islands numerous applications were made to the Court to settle old land disputes. This I was unable to do at the time, and as it is important that the Rarotonga and Cook Island lands should be dealt with as soon as possible I will confine my work to these islands for the present.

Schedule of Work done by Survey Department and Land Titles Court for Year ending 31st March, 1904.

Name of Island.		Original Orders.	Other Orders.	Survey Fees.		Court Fees.		Total Fees.
				Paid.	Outstanding.	Paid.	Outstanding.	Total Pecs.
Aitutaki Rarotonga Penrhyn Manihiki Rakahanga Manuae		104 95 1 4	3 43 6 9 4 4	£ s. d. 17 0 0 4 17 0 1 12 0 1 10 0	£ s. d. 67 10 0 151 3 0 4 10 0 6 0 0 4 0 0 10 0 0	£ s. d. 67 4 0 36 2 0 2 6 6 2 10 0	£ s. d. 60 18 0 99 13 6 4 5 0 5 5 0 3 0 0 0 15 0	£ s. d. 212 12 0 291 15 6 12 13 6 15 5 0 7 0 0 14 3 0
Totals		206	74	24 19 0	243 3 0	111 10 6	173 16 6	553 9 0

Title to Lands.

My experience in the Land Titles Court of these Islands has taught me that it is inexpedient to grant an absolute freehold title to any landholder in Rarotonga. From time immemorial it has been the custom of the island to regard the eldest-born of the senior branch of the family (Mataiapo) as the natural guardian and trustee of the family land, as the man who, by right of birth and by subsequent election by the elders of the tribe, should manage the whole estate in the interests of the family. But they did not at any time recognise that his right to the land was