

amount of land alienated in this manner is not sufficient to cause any uneasiness in the minds of any philo-Maori, if he will only look at the thousands of acres still lying waste; moreover, the Maori is a very good judge of his own business, and is not likely to allow any future leases to exceed those mentioned in last year's report by more than a few hundred acres. In my opinion, the fact that a fair amount of land has been leased is a matter for congratulation so far as the Natives are concerned, for those leases mean progress, the encouragement of habits of industry, and a good living to at least one hundred Natives of the floating population who would otherwise have been idle, for they are strangers who have no land here. There are many landholders at the present time whose land is lying absolutely waste. This is the condition of most of the unleased country lying between the villages of Arorangi and Murienua, six miles of the best land in Rarotonga. A very remarkable contrast to this are the nine small blocks that have been leased to Europeans. Here the lessees have improved the district in which they reside, and have created an industrious population by providing well-paid and healthy work for the young men. Even the boys from the Tereora School go to these plantations during their holidays, and not only do men's work, but get their pay. It is a matter for regret that the very men who work so well for the planters will do nothing on their own lands; but the head of the family still thinks that he has a right to the lion's share of the profits from the land, and it will be years before the Polynesian understands that he is now free from the exactions of his overlord. In my letter to the people printed in the *Cook Island Gazette* on the 17th January, 1908, I pointed out that the overlord had no longer a right to *rahui* lands that had passed the Land Titles Court, and I found that many of those most interested regarded my letter as new and somewhat astonishing. It was the old power of the overlord that made these people slothful and careless, for they knew by experience that they would not greatly benefit by their own industry. On the other hand, it is the European lessee who is redeeming the people from this life of sloth, and is recreating them a hard-working people—I may not use the word "industrious" with reference to Polynesia, for that would be expecting too much from the tropics.

Many of the European lessees have kindly supplied me with a note of their actual expenditure during the period that they have held the land. I am therefore in a position to say that during the last nine years not less than £7,000 has been spent by these planters, and the present annual expenditure in wages cannot be less than £1,500 per annum. Even when the cocoa palms are in full bearing, and it is no longer necessary to clean the land twice or more each year, the Native labourer will still benefit to the extent of £1 10s. per acre by making the copra. So far I have shown that the Native population benefit greatly by reason of a large expenditure that is directly attributable to the leases, and it is equally certain that the local Government must benefit by the increase in the exports and imports. Our present production of copra is 400 tons grown on about 800 acres; of this, only 200 tons reaches the market, the remainder is wasted in feeding pigs; so that each of these animals costs the owner or his neighbours from £3 to £6 per annum in cocoanuts alone. In a few years the European planters will export not less than 250 tons of copra; that is more than the whole Native export of the present day. I contend that the leasing of the waste lands of this island has been satisfactory to every one concerned. As for the land-owners, they now receive an income from land that was previously valueless to them.

The real difficulty is connected with the lands that must be retained in the hands of the Natives for their benefit and support. It is some years since I made certain suggestions with the view of improving the circumstances of the Natives and the management of their lands. Had these suggestions found favour at the time we should now have been on the high road to prosperity; there was, however, some misconception or adverse influence which prevented their adoption. I therefore offer them again in a modified form, as I am convinced that the coconut lands of this island will never be planted except by the active aid of the local administration. We have at least 2,000 acres of the coral sand zone that is useless for any purpose other than that of raising cocoanuts, but which should produce 1,000 tons per annum; and I can see no reason why these lands should be allowed to lie idle for an indefinite period when they can be made highly remunerative at a comparatively small expenditure. £5 per acre would clear, fence, and plant the land, and another £5 would keep it clean for the first five years, after which the young palms would be safe from horses and pigs, and the land might then be handed back to the owners. The following are my suggestions:—

#### *Conditions of State Aid to Native Planters.*

That the local Administration shall be empowered to invest all surplus moneys to the extent of £1,000 per annum in the planting and general improvement of such lands as the Native owners shall hand over to the aforesaid Administration for that purpose.

That all moneys so invested shall bear interest at the rate of 5 per cent. per annum.

That, as the local Administration cannot divest itself of the responsibility attached to the proper and economical application of this money, it shall be an inflexible rule that no money advanced for the general benefit of the owners of any block shall be paid to or pass through the hands of any Native.

The owners of any block who shall desire to have it planted under these regulations shall place the land unreservedly in the hands of the local Administration for a term of not exceeding six years, in order to provide for the care of the young palms.

All planting and clearing to be done under the supervision of the local officer of public works, but the Foreman of Works on each block shall be elected by the owners thereof, in order to protect their interests, and shall be paid a salary of £1 per week while so employed.

The owners of each block shall choose the men who are employed on that land, and the Government shall pay them at the current rate of wages while so employed. Provided that no money