

to our requirements in every respect. For the last two years this training school of the London Missionary Society has been under the Rev. Mr. James, and has been kept up to its usual high standard, and in the future will train any teachers of village schools we may require.

It may well be asked, For what possible purpose are we educating these boys? In their own islands and for island purposes they are invaluable, but there is little, if any, opening for educated boys. Tereora will turn out seven or eight boys each year who may be fit for minor billets, such as teachers or salesmen in stores; but not more than half of these will obtain the employment that their education has fitted them for. The educated boy despises the work of a planter, his true work, and for this reason the sole result of education in these islands will be dissatisfaction among those who are unable to find the employment that they desire. If we teach the boys trades there is no opening for them here, where we have three blacksmiths and wheelwrights, and their only opening would be New Zealand, where they would speedily become drunken loafers.

I have never known nor heard of a people more wanting in moral stamina than these islanders. They do not understand the necessity for self-denial or self-restraint, and therefore to educate such men above the resources of the islands would be little short of criminal. The boys are not wanting in ability, but from our point of view they are both dishonest and untruthful. When they have by race-contact obtained a stiffening of European blood they may be capable of using the education given to them; but the pure and unadulterated Native of the South Seas is a self-indulgent animal, and after an experience of nine years I have neither respect for his character nor hope for his future. The education he receives outside of Tereora is not a bad one for his condition of life: he learns to read his Bible in Maori, and to sing hymns, and I do not think that the Mission ever intended he should learn more than this. The result is that he is perfectly contented and happy, and if he wants to learn English he goes as house-boy to some European family, and in a very short time learns enough for his purpose.

The present system of education outside of Tereora is not in any way suitable to a place like New Zealand; but it does suit these islands, and the people must reach a much higher plane than they now occupy before the system need be changed.

PUBLIC WORKS.

In my report for the year 1906 there is a detailed return of all expenditure on public works to the date of that report, amounting to the sum of £6,031 17s. 11d. Two items of Mangaian expenditure had, however, been omitted—viz., cargo-shed, £138 3s. 10d.; and Courthouse fittings, £6 16s. 4d.—and adding to these sums the expenditure set forth in my report for the year 1907—namely, £2,791 18s. 1d.—the total disbursement on account of public works to the 31st March, 1907, amounted to £8,968 16s. 2d.

The expenditure for the present year has been as follows:—

	£	s.	d.
Iron reinforcements, Avarua and Avatiu Bridges	83	12	1
Water-supply, Rarotonga	1,415	3	9
Creek-walls and bathing-tank, Avarua	184	2	10
Detached kitchen whare, Manuhiri	104	18	5
Concrete tanks, Aitutaki	87	14	4
Planting cocoanuts, Takutea Island	82	10	11
Material for Mangaian reef passage	58	11	7
Compensation on resumption of land (Karika)	100	0	0
Repairs to gaol, Mangaia	7	7	6
Blasting reef passage, Mauke	10	0	0
Total	£2,134	1	5
Total public works expenditure to date	£11,102	17	7

The money absolutely expended to date on the Avarua water-supply is £1,914 16s. 8d. This is a large sum of money for a small group of islands to find out of ordinary revenue, but probably no greater blessing could have been conferred on the people, inasmuch as the well-water drawn from the shallow wells on the coral drift is no longer safe to drink. The villagers in the Avatiu Valley have not been connected with the supply, and I do not propose to carry out the connection unless they pay the whole cost, inasmuch as they are outside the original scheme, which included only the beach houses. With very little labour the Natives of Avatiu can carry their water from the terminal tap of the supply or can use the water from their wells, which are filled from the underground stream that flows through the shingle of the valleys. 120 houses have been connected with the supply, and pay a yearly rate of £1, and there are probably eighty other houses who share the water from their friends' houses, and probably pay part of the rate. I attach the report of Mr. Connal, C.E., on this and similar subjects.

Of the planting of Takutea but little remains to be done. Mr. Connal reports 179 acres as planted, and that 49 acres require attention, but of this some 13 acres are covered with thirty-year-old trees, and therefore only 35 acres now require planting. I do not propose to do anything on the island this year, as the small staff of reliable men at my disposal will all be occupied in surveying, blasting passages through reef, &c.

One of the most useful works completed during the past year will be found under the heading of "Creek-walls, Avarua." Strong retaining walls of concrete have been erected on the banks of the two creeks of this village, partly with the intention of keeping the creeks within bounds, but