The Natives did not turn out to remove the stones as often or as well as they should have done. I therefore think that they should pay interest on the money expended, or on part of it, something after the manner the Aitutaki Natives are, I believe, doing for their shed and tramways—a tax on fruit exported, and collected by the Union Steamship Company and refunded to the Government seems the best method.

It is necessary on the outlying islands to have two landings as nearly opposite as possible, and connected by a road or tramway line; then as a rule either the one landing or the other will be workable. I therefore, when at Mangaia, went to the other landing at Atuakoro and opened out the entrance and blew away a coral patch which gave some trouble while working when there was anything of a sea.

From experience gained at Mangaia I would not advise this Government to undertake the blasting of any more openings through reefs (unless blasting away patches or undermined reefs), on account of the heavy cost; also, any small passage made through a reef will only be workable in fairly good weather.

Roads and Bridges.

The main road through part of the settlement of Avarua has been improved and widened, and the whole road through the settlement kept in good repair by the Government; also, several of the wooden bridges round the island have been repaired and in some instances almost renewed.

The Natives are expected to keep the main beach-road round the island in good order, as they do not pay a road-tax. This I think must be admitted they have failed to do. I therefore submit that the present system be abolished and that a road-tax be substituted instead. The Europeans contribute to the Road Fund about £70 in rates, under the Public Works Rating Act, and from other sources about £20 is realized, making altogether some £90 per annum. Some years ago very little planting was done by the Maoris for export, but now a banana trade has sprung up and the Maoris are in a far better position financially than they were a few years back; I therefore consider that the Maoris should be placed on the same footing as the Europeans and pay a road-tax, as many of them are anxious to do.

I submit that all adult males over the age of sixteen years pay a road-tax of 10s. per annum, men over sixty to be exempt. The population of Maoris and half-castes in Rarotonga by the 1911 census was 2,620. I estimate the number of adult males between sixteen and sixty years old at, say, 800, at 10s. each = £400; taxes from Europeans, &c., say £100: total, £500. And I submit that the Government contribute £1 for £1 raised in taxes, say £500, and that a road overseer be appointed. With this sum (£1,000) per annum the road round the island would first be put in thorough repair, then the branch roads inland might be put in order.

The system of the Government contributing £1 for £1 collected in taxes might also be adopted in the other islands of the Group, and all compulsory labour done away with, as what might have been suitable some years back does not seem to work now.

Addition to Post-office, Rarotonga.

Part of the room formerly used as a bond for bonded goods was added on to the Post-office, as the Post-office was found to be too small, and the bond was not much used, as the merchants have now private bonds for their goods. The partition wall was taken out, room floored and ceiled, counter extended, and the Post-office made large enough for many years to come.

Survey of Lands.

The surveying of land in Rarotonga is practically finished, excepting a few pieces and some subdivisions. In the Island of Aitutaki there is still plenty to do. A tracing of the Island of Rarotonga was sent to New Zealand some two years ago for the purpose of getting lithographs. I submit that at least one hundred copies be made; some of them might be sold to the public.

Meteorological.

The total rainfall at Avarua, Rarotonga, for the year 1911 was 73·30 in., which was below the average. The average for the last thirteen years is 80·85 in.

The highest reading of the thermometer in the shade for the year was 91°, on the 27th December, and the lowest 56°, on the 6th September. The mean of the maximum for the year was 79.3°, and the mean of the minimum 69.8° in the shade.

The lowest reading of the barometer since my last report, at sea-level, was 29.56 in., about midnight on the 3rd March, 1912, when we had a stiff gale which did considerable damage to banana-plantations.

Fumigation of Fruit.

The present fumigating-chambers are far too small for the requirements of Rarotonga, and, instead of erecting new or extending the present fumigator, it is now proposed to use tents, which would save a great deal of handling of the fruit. With the tents the fruit would be stacked in lots of, say, 500 boxes, and a tent would be placed over each stack. The fruit after fumigation need not then be touched until it is to be conveyed to the boats for shipment. Formerly at 1d. per box for fumigation, this amount hardly covered the cost of handling.

Water-tanks, Outlying Islands.

Five reinforced-concrete tanks were built; two tanks were built at Manihiki, one at Rakahanga, and two at Penrhyn. Each tank will hold 5,000 gallons.