

Exports.

Table II. shows the exports for 1895, with statement of those for each of the years 1892-93-94. The totals (of Cook Islands produce only) for the four years are: 1892, £15,396; 1893, £18,758; 1894, £18,936; 1895, £19,080.

Coffee and copra show an increase, and will continue to do so as new plantations come into bearing. The coffee-trees take four to five years, and the cocoanut nine to ten, before coming to full maturity. The fruit trade is entirely with New Zealand, and will increase with the market, as these islands are capable of great production in that respect. Attempts are to be made to concentrate the limejuice for exportation; and, if successful, there will be a considerable export in that article. Cotton has fallen off greatly, and will fall still further at the present low prices. There has also been a considerable falling-off in the exports of produce brought to Rarotonga from islands beyond the Federation. This is partly attributable to the lower freight from Tahiti when vessels leave that port direct for Hamburg, and partly to the hypothecation of their pearl-shell to a Tahitian trader by the Natives of Penrhyn in order to raise the amount awarded against them in 1893, by Captain May, R.N., of H.M.S. "Hyacinth, in connection with the case of the "Norval." This trade will, in time, probably find its way again to Rorotonga.

Imports.

The increased consumption of imported goods by the natives is shown by Table III. The imports were for 1892, £16,249; 1893, £19,284; 1894, £22,435; 1895, £23,269.

The increase in timber, hardware, tinned and other provisions, groceries, and piece-goods is marked. Included in the imports are certain goods afterwards shipped from Rarotonga to islands outside the Federation. These shipments were: for 1892, not known; 1893, £1,219; 1894, £1,293; 1895, £1,792.

Course of Trade.

Table IV. shows a steady increase in the trade with New Zealand. This was most marked in 1895, and is likely to continue. The following are the comparative figures for the four years:—

						Exports to New Zealand.	Exports to Tahiti.
						£	£
1892 ...	...	...	...	...	...	12,690	2,706
1893 ...	...	...	...	...	...	13,397	5,361
1894 ...	...	...	...	...	...	14,177	4,759
1895 ...	...	...	...	...	...	16,756	2,324
						57,020	15,150

						Imports from New Zealand.	Imports from Tahiti.
						£	£
1892 ...	...	...	...	...	...	10,995	5,254
1893 ...	...	...	...	...	...	10,187	9,097
1894 ...	...	...	...	...	...	13,153	9,282
1895 ...	...	...	...	...	...	16,855	6,414
						51,190	30,047

Currency.

Since the 1st January, 1895, British coin has been the only legal currency. None other is accepted by the Government; but, in the absence of a bank or other means of maintaining the supply of coin, the Chili dollar is still current in all ordinary business at the rate of 2s. Importers have to provide their own coin for the payment of duties, and can always obtain from the Government currency notes in exchange for dollars if necessary. The terms offered by the Government are, however, so unfavourable that importers prefer obtaining their own coin, and are, for that purpose, allowed two months' credit for duties on giving satisfactory security. None of the currency-notes have, therefore, been put into circulation, but they are held available if required.

Taxation and Revenue.

The only change in Federal taxation is an additional import duty of 1 per cent. towards the expenses of a hospital about to be opened in Rarotonga. This duty only came into force on the 1st October, 1895.

Table V. shows the revenue for each financial year (ending 30th June) since the Government was established in 1891. It is small, but has been found sufficient to maintain the Federal Government, to pay subsidies towards roads and works to the several local Island Governments, to build a Parliament House and a very fair hospital, and to supply the several district free schools with fitting and appliances, which are lent to them on condition that they find a proper teacher, school, and pay all other expenses. English is the only language used in these schools, and no private or mission schools are allowed unless satisfactory arrangements for teaching English are made. The natives are eagerly entering into the establishment of schools in Rarotonga, and their example will be followed in the other islands. There cannot be a doubt that these fertile islands, though small in size, are capable of a largely-increased production, and as the aims and desires of the natives widen, it is hoped that the increased production will keep pace with them.

Rarotonga, Cook Islands, 20th January, 1896.

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