

The receipts for the year ending 31st March, 1903, are as follows :—

	£	s.	d.
Customs duties ... ..	2,674	9	5
Traders' licenses ... ..	418	9	5
Liquor dues ... ..	5	17	11
Sale of stamps ... ..	1,132	3	0
Fees and fines—			
High Court ... ..	147	9	1
Arikis' Courts ... ..	178	15	4
Aitutaki R.M. Court ... ..	123	16	6
Land Titles Court ... ..	16	19	0
Rents ... ..	116	0	0
Sale of old buildings ... ..	63	0	0
Money-order commission ... ..	0	12	6
Sale of forms ... ..	1	15	4
Shipping fees ... ..	7	15	0
Balance on hand on 31st March, 1903 ... ..	1,697	10	10
	£6,584	13	4
Expenditure for year ending 31st March, 1903 ... ..	4,725	16	11
Surplus on hand, 31st March, 1903 ... ..	£1,858	16	5

In addition to the above general revenue there is also the local or public works revenue of the Island of Rarotonga. Here also there is a substantial surplus, but it will require to be supplemented from the general revenue of the Group, in order to meet the expenditure connected with three small but necessary bridges on the south side of the island, as also a low concrete wall round the Government Offices and Hospital, and stone retaining wall to the Avarua Creek. The following is the state of the local revenue :—

	£	s.	d.
Balance on 31st March, 1902 ... ..	30	19	5
Rates under Public Works Rating Act ... ..	36	10	0
Fines under Wandering Animals Ordinance ... ..	20	0	0
Dog-tax fees ... ..	17	5	0
	£104	14	5
Expenditure for year ending 31st March, 1903 ... ..	36	17	0
Surplus in Treasury, 31st March, 1903 ... ..	£67	17	5

In Appendix B, attached, I submit an itemized schedule of the expenditure for the year 1902–3, which it will be seen exceeded the amount voted by £978 1s. 2d., a fact due chiefly to the excess on the public buildings vote of £863 12s. 8d., and on the passages vote of the Native Land Titles Court of £92 12s. 6d.

#### *The Government Schooner.*

On the 24th June, 1902, this vessel was taken over as a Government department, and there can be no doubt that the change of management removed the cause of many small jealousies, and thereby improved the usefulness of the boat. I must, however, admit that, as the schooner interferes with several monopolies, she will meet with influential and bitter opposition so long as she runs as a Government institution.

The difference between earnings and expenses for the nine months ending 31st March, 1903, is £514 10s. 9d., to which must be added £125 credited for freight earned in 1901. The loss on the running of the vessel for nine months has therefore been £439 10s. 9d.

Of the £1,000 voted as a subsidy for 1902–93, this Department has only drawn £377 7s. 7d. The balance of the £1,000, viz., £622 12s. 5d., was paid out in April, May, and June, and is made up as follows: Wages, &c., £230; Auckland expenses (provisions, outfit, and repairs), £377 12s. 5d.; and miscellaneous expenses, £15.

With reference to the amount, £238, due by the New Zealand Government, and shown in the balance-sheet, it is made up as follows: Freight on coal, £125; services of schooner at the "Elingamite" wreck, £92; passage-money, £21.

The following is the balance-sheet for the year ending 31st March, 1903 :—

Dr.	£	s.	d.	Cr.	£	s.	d.
Freights ... ..	736	19	1	Provisions ... ..	499	3	0
Passenger-fares ... ..	140	2	6	Wages ... ..	803	1	5
Special charters ... ..	260	10	0	Outfit and repairs ... ..	590	10	8
Cash subsidy ... ..	1,000	0	0	Miscellaneous expenditure ... ..	181	18	10
Cash from previous agents ... ..	146	3	5	Amount due by New Zealand Government ... ..	238	0	0
Sundry creditors ... ..	60	17	1	Captain's advance account ... ..	8	17	1
				Sundry debtors ... ..	1	15	8
				Cash balance ... ..	21	5	5
	£2,344	12	1		£2,344	12	1