Enclosure.

NIUE ISLAND ADMINISTRATION DR. TO GOVERNMENT OF COOK AND OTHER ISLANDS	_	s.	Ч
Contribution from Niue towards recouping loss on running "Countess of Ranfurly" for years 1903 and 1904	300		0
Proportion of insurance premiums on schooner paid for years 1902-3, 1903-4, and 1904-5— £ s. d. 282 11 6 282 12 6 70 16 9			
One-sixth of £636 0 9 Proportion of payment on acount of sinking fund for year 1905—one-sixth of £300	$\begin{array}{c} 106 \\ 50 \end{array}$		
Less amount received in Rarotonga as Customs duty on goods afterwards shipped to	£456	0	1
Niue (as per Colonel Gudgeon's letter to Minister of the 5th August, 1904)	19 E436	19	0
	C430	1	<u> </u>

No. 174.

Cook and other Islands Administration, Wellington, 15th April, 1905. SIR. I have to acknowledge the receipt of your letter of the 21st January, with reference to setting aside an annual amount for the purpose of creating a sinking fund to provide against the loss of the schooner "Countess of Ranfurly."

There is no need to pay over the amount annually to this Government in the way you suggest. What I propose is that a special account be opened with the Bank of New Zealand at Auckland, and

the sum of £300 lodged by you on fixed deposit each year.

After discussing with Mr. Maxwell the question of the proportion which should be paid by his Administration on account of the schooner, I am of opinion that as regards the sinking fund a payment of £50 will be a fair annual contribution from Niue, being one-sixth of the total, and I propose to ask him to pay this amount over to you each year. As to the loss on the running of the vessel, I have arranged with him that he shall pay you a sum of £300 to cover Niue's liability for the years 1903 and 1904, being at the rate of £150 a year. Any loss incurred during this year or subsequently can be apportioned when the amount has been ascertained.

I enclose a copy of an account I am sending to Mr. Maxwell, claiming on your behalf the abovementioned sum of £300 on account of loss on running, the first payment of £50 towards the sinking fund, and also one-sixth of the amount paid for insurance during the years 1902-3, 1903-4, and 1904-5. The amount paid for 1904-5, £70 16s. 9d. (three months only), has just recently been advised by the Agent-General, and I shall be glad to receive your cheque for it at your convenience.

The payment of the enclosed claim will, I think, settle all outstanding accounts as between your Government and the Niue Island Administration. Any amount payable to Niue in respect of duty received in Rarotonga on goods afterwards shipped to Niue which may have accrued in addition to the sum of £19 19s., mentioned in your letter of the 5th August last, can be handed over to Mr. Maxwell later on, when the amount has been ascertained.

I shall be glad to hear that this adjustment meets with your aproval.

The Resident Commissioner, Rarotonga.

I have, &c., C. H. MILLS.

No. 175.

(Telegram.) 18th April, 1905. Colonel Gudgeon, Rarotonga. Post, Auckland. GOVERNOR has received despatch from High Commissioner forwarding extract from a report from master of steamer "Upolu" re severe gale at Manihiki last month. Tukao Village said to be half washed away and Tauhonu also severely damaged. Grave fears entertained at Manihiki concerning Penrhyn and Rakahanga, both being lower. Westerly gale blowing eighteen days, and C. H. MILLS. seas enormous. Copy of despatch next mail.

No. 176.

Cook and other Islands Administration, Wellington, 19th April, 1905. SIR. I have to acknowledge the receipt of your letter of the 30th March, and am pleased to hear that the dispute between the Arikis, Makea and Karika, and their people has been dealt with by the Land Titles Court, and that the decision has given satisfaction to the residents of the island. I am glad also that Makea has decided to have her land put through the Court, as it

shows that the advantage of having the titles clearly defined is recognised.

I note that the lad, Henry Williams, employed in the Survey Office as a draughtsman, has proved a success. This is gratifying, and you are authorised to take on another cadet to assist I have, &c.,

in the work of the office.

The Resident Commissioner, Rarotonga.

C. H. MILLS.

See No. 173.

No. 161.