

While in Auckland last January the schooner was docked and repaired under the supervision of Captain Champion. The expense of same was kept down to the lowest limit compatible with the efficiency of the vessel.

I am pleased to say that the services of the schooner are now being availed of to a greater extent than formerly by the traders of the Group, and if the vessel can maintain regularity in her movements there is a likelihood of her being used as a potent factor in the further development of trade in the Cook and northern Islands, with profit to the vessel herself. There is, however, a probability that the earnings of the vessel, as far as Niue is concerned, will be lessened next year owing to the slump in the hat trade at that island (which is apparently the reason for one or two trading firms ceasing operations there), and also to the fact that little or none of the Niue copra is carried to Auckland. In addition, there is also a probability that the vessel will only be required to go to Malden Island once a year instead of every six months, as I am informed that less labour will in future be required to work at that island. This will be a loss not only to the schooner, but also to the trade in the Cook Islands generally, as, in addition to the amount paid by Messrs. Grice, Sumner, and Co. for the charter of the vessel, that firm pays in cash to their Cook Island labour a sum of over £1,000 per annum. The diminution in the earnings of the vessel as far as Niue and Malden Island are concerned will, I think, be met in a great measure by the support to be given by the traders in the Cook and northern Islands.

I have, &c.,

The Resident Commissioner, Rarotonga.

E. BLAINE, Secretary.

Addendum.

As shown by the Profit and Loss Account attached, the total expenditure for the year has been £2,293 10s. 6d., while the total revenue received (eliminating subsidy, £350, and profit and loss, 1905-6, £52 2s. 4d.) has been £1,891 8s. 2d. The difference, £402 2s. 4d., is accounted for as follows:—

	£	s.	d.
Loss on present year, 1905-6	187	8	5
Paid insurance, 1904-5	70	16	9
„ Profits and Loss Account, 1904-5	138	10	10
Bad debts	5	6	4
	<u>£402</u>	<u>2</u>	<u>4</u>

E. BLAINE.

GOVERNMENT SCHOONER DEPARTMENT.

Working Account of Schooner "Countess of Ranfurly," 1905-6.

Dr.	£	s.	d.	Cr.	£	s.	d.
To Passenger-fares	308	8	6	By Profit and Loss Account, balance 1904-5	138	10	10
Special charters	573	0	0	„ „ bad debts	5	6	4
Freights	1,006	4	11	Benzine	146	6	0
Commission	3	14	9	Wages	850	8	1
Subsidy	350	0	0	Office expenses, Auckland	65	5	11
Sundry creditors	303	12	8	„ Rarotonga	43	8	0
				Provisions	383	13	6
				Miscellaneous expenditure	125	12	5
				Outfit and repairs	446	19	8
				Claims	17	3	0
				Insurance, 1904-5	70	16	9
				Sundry debtors	101	14	5
				Cash, Bank of New Zealand	118	12	1
				Cash in hand	31	3	10
	<u>£2,545</u>	<u>0</u>	<u>10</u>		<u>£2,545</u>	<u>0</u>	<u>10</u>

Rarotonga, 19th April, 1906.

E. BLAINE, Secretary.

Audited by me from 1st April, 1905, to 31st March, 1906, inclusive, and found correct. This certificate is subject to the exceptions contained in my letter of the 20th April, 1906, to the Minister in Charge of the Islands.—PERCY BROWN, Auditor.

Profit and Loss Account in connection with the Working of the Schooner "Countess of Ranfurly," 1905-6.

Dr.	£	s.	d.	Cr.	£	s.	d.
To Balance, 1904-5	138	10	10	By Subsidy Account	350	0	0
Bad debts	5	6	4	Special Charter Account	573	0	0
Benzine Account	146	6	0	Commission Account	3	14	9
Insurance Account, 1904-5	70	16	9	Freight Account	1,006	4	11
Wages Account	850	8	1	Passenger-fares Account	308	8	6
Claims Account	17	3	0	Balance	52	2	4
Outfit and repairs	446	19	8				
Miscellaneous Expenditure Account	125	12	5				
Provisions Account	383	13	6				
Office expenses	108	13	11				
	<u>£2,293</u>	<u>10</u>	<u>6</u>		<u>£2,293</u>	<u>10</u>	<u>6</u>
Balance carried forward	£52	2	4				

Rarotonga, 19th April, 1906.

E. BLAINE, Secretary.

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