

At the present time there is no direct road from Alofi to Lakepa, that village being reached by a wide detour through Liku. There is, however, a track branching off from the Liku Road to Lakepa, about five miles long, which is very direct, and it is proposed, during the ensuing year, to undertake the formation of this track into a road fit for vehicular traffic. The work will be of a heavy nature, and much blasting will be necessary, but the proposed road will tap a district which is regarded as the most fertile in the island.

#### *Imports and Exports.*

The year 1910 was a good average year for imports, and a record for value of exports. The total external trade of the island was valued at £21,394, arrived at as follows: Imports, £9,182; exports, £12,212: total, £21,394.

With regard to the imports, in almost every item of foodstuff there have been increases; while apparel, cotton piece-goods, and drapery show decreases as compared with last year. Of the £9,182 total value of imports, £7,576 worth, or 82·5 per cent., came from New Zealand, as compared with 68 per cent. last year.

As regards the exports, which amounted to a total value of £12,212, copra (507 tons) accounted for £8,161. A fair quantity of hats were exported, but the price obtained was small. The figures for this item are—5,716 dozen, valued at £2,891. The only other item worthy of comment is fungus, which shows an improvement over the preceding two years.

It will be noticed that a far greater proportion of Niue produce was exported to New Zealand, 79 per cent. of the total exports being sent to the Dominion in 1910, as compared with 58 per cent. sent during the previous year. Details of the imports and exports will be found in the returns sent herewith.

The following figures show the trade of Niue since the island has been administered by New Zealand:—

Year.	Imports.	Exports.
	£	£
1902	5,699	6,750
1903	8,001	7,862
1904	6,707	7,016
1905	5,698	9,868
1906	6,707	8,724
1907	8,491	7,955
1908	6,458	7,107
1909	10,047	12,203
1910	9,182	12,212

#### *Trade Prospects.*

The most noteworthy feature with regard to trade during the past year has been the development of a Native co-operative trading movement. Recently an association of Natives was formed, numbering some hundreds of members, with the object of exporting their own produce and carrying out their own importations. They have engaged the services of a European to aid them in their enterprise. This co-operative movement amongst the Natives has taken root deeply, and is unsettling the ordinary course of trade considerably. The movement is not confined to Niue; it commenced in Tonga, from whence the idea was brought by travelling Niueans. The scheme was pushed at first by a few influential Natives, and it has now become fairly general. The working of the association should be watched with interest, and not altogether without suspicion, as the average Niuean has little of the altruistic spirit in him. While co-operation in this direction amongst the Natives is in itself good, yet I fear the people are still far too ignorant to carry such a scheme on successfully. It will, no doubt, have the effect of stimulating the output of produce, and if the weather-conditions continue favourable this year's export of copra will probably be large.

The future of the hat trade is at present doubtful, but there is every reason to suppose that the business for the ensuing year will be up to the average.

The continued high price realized for copra during the past year has further encouraged the Natives to pay more attention to coconut-cultivation, and there is every indication that the output of copra will materially increase as years go on.

During the past year the following correspondence has taken place between this Administration and the British Cotton-growing Association, on the subject of reintroducing cotton growing in Niue:—

“SIR,—

“Niue Island Administration, Niue, 11th April, 1910.

“I am desirous of obtaining information as to the best varieties of cotton suitable for growing by the Natives of this island. Many years ago quite a considerable quantity of Sea Island cotton was grown and exported from Niue, but for a long time past it has been entirely neglected. The chief cause that led to the Natives giving up cotton-picking was, I think, the deterioration of the staple, and the consequent low prices that were obtained. Of late years much attention has been paid by the Natives to coconut-cultivation, but there is a considerable area of land at Niue which, while not suitable for coconuts, used at one time to grow very good cotton of the Sea Island variety.

“The Natives are anxious to again attempt cotton-cultivation, and are desirous that I should obtain for them seed of the kind best adapted to Niue. Perhaps a few particulars of this little-known part of the British Empire may be of interest, and help you to give me the best advice.

“Niue (or Savage Island) is situated in latitude 19° 1' 42" S. and longitude 169° 55' 15" W. It has a coast-line of about forty miles, and contains approximately 64,028 acres. The island