

Mr. Stevenson's calculations, an immediate loss of £5,213 per annum to these Islands. If the spending-power of the inhabitants is reduced by this one item alone it means a very serious reduction in the revenue. The Natives must be content to export fruit during the first months of the season for practically nothing. Will they? I doubt it; and I cannot see how we can expect them to; with the result that where we are now inducing them to clear their land and plant they will allow it to return to a state of nature, and our exports will be reduced to a negligible quantity.

What these Islands require and deserve is better steamers and more consideration from the shipping company. On the last trip of the "Taviuni" £2,000 worth of fruit was lost, though shipped in excellent condition, through the steamer being overdue in reaching here, and then taking extra time to reach Auckland.

I append the following reports, &c.: Treasurer's report; statement showing contributions to war funds; statement showing produce and manufactures admitted into Cook Islands free of duty; estimated expenditure for year 1915-16; report of Registrar, Land Titles Court; Report of Registrar, High Court; vital statistics for 1914; report of Dr. Norman, Acting Chief Medical Officer; report of Dr. MacLurkin of visit to islands of Group; report of Engineer and Surveyor; report of Mr. Connal of visit to islands of Group, and effect of hurricane therein; report of Mr. Reid, Chief Fruit Inspector; report of Assistant Fruit Inspector; report of Mr. Reid on the Puaau Nursery; correspondence *re* schools; audit report.

I have, &c.,

H. W. NORTHCROFT,  
Resident Commissioner.

The Hon. the Minister in Charge, Cook Islands Administration, Wellington.

#### REPORT OF TREASURER.

SIR,—

Rarotonga, Cook Islands, 21st April, 1915.

I have the honour to forward herewith the annual statement of revenue and expenditure for the year ended the 31st March, 1915, and the trade returns for the year ended the 31st December, 1914.

The revenue for the year amounted to £10,117 15s. 3d. This is a decrease of £1,607 3s. 2d. on that of the previous year. Almost every regular item of revenue showed a decline. The Customs duties alone decreased £1,104 13s. 9d.

The expenditure (summary appended) amounted to £10,617 2s. 6d., or £499 7s. 3d. in excess of the revenue.

	£	s.	d.
Salaries .. .. .	4,564	18	10
Public works .. .. .	3,502	7	4
Contingencies .. .. .	492	16	11
Subsidies .. .. .	228	1	6
Hospital supplies and attendance .. .. .	1,127	12	5
Experimental nursery .. .. .	168	7	10
Maintenance of lunatic .. .. .	36	11	6
Maintenance of lepers .. .. .	55	0	4
Rents .. .. .	13	15	0
Assisting Natives on account of hurricane .. .. .	427	10	10
	<u>£10,617</u>	<u>2</u>	<u>6</u>

The balance on hand, which on the 1st April, 1914, amounted to £3,591 14s. 8d., has been reduced to £3,092 7s. 5d.

Liquor Account: The Government sales for the year amounted to £11 10s. 6d., and the value of stock on hand at the end of the year was £47 13s. 9d.

Waterworks Account: The capital invested now amounts to £5,433 14s. 5d., from which £447 19s. 8d. was received as water rates. This is one of the most useful works carried out by the Administration, and is at the same time a regular source of revenue.

Postal: The volume of business is well up to the average of former years. Money-orders numbering 1,023, value £15,209, were issued, and 1,387, value £13,748, were paid. The commission earned was £63 15s. Postal notes to the value of £418 were sold. In the savings-bank the deposits for the year were £2,451 15s., and the withdrawals £756 10s. 10d.

Trade: As predicted last year, there has been a falling-off both as regards imports and exports. Eliminating specie in each case, the decrease totals £43,093. Imports, £12,266, and exports £30,827.

The collapse of the pearl-shell market, and a decrease of 500 tons in the copra output, combined with the low prices ruling for this product throughout the year, is the cause of the decline in trade. The Native does not save money for any length of time, and if there is a falling-off in the exports it immediately affects the imports.