

1920.  
NEW ZEALAND.

# COOK AND OTHER ISLANDS.

[In continuation of Parliamentary Paper A.—3, 1919.]

*Presented to both Houses of the General Assembly by Command of His Excellency.*

## MEMORANDUM.

THE annual reports of the Resident Commissioners at Rarotonga and Niue are attached hereto.

The reports show that the finances of the respective Administrations are satisfactory, and that trade and general conditions are steadily improving after the dislocation of shipping caused by the war. The prosperity of the Islands is entirely dependent on the shipping facilities. Given adequate and regular means of getting their produce away there would be no cause of complaint as to want of production. This question of shipping is, however, beyond the control of the Cook Islands, and is one in which New Zealand can best help them.

It has been stated that the Islands Administrations should be entirely self-supporting, and so no doubt they might be under certain conditions. It is easy to make these statements with only a superficial knowledge of the matter, and it is desirable to make some remarks in order to remove any misapprehension that may arise.

The Islands revenue could not stand the whole cost of the services, administrative, educational, and medical, which in their interests it has been necessary to impose upon the Administrations. The amount provided on the New Zealand estimates for the current year for salaries of officials at Rarotonga is £7,030, the salaries of the following Administration officers being provided for:—Resident Commissioner, £800; Land Court Judge, £650; Medical Officers, £1,300; Collector of Customs, £260; Fruit Inspector, £220; Police Officer, £250; salaries of school-teachers, £3,550; total, £7,030. The Administration pays the salaries of all other officials (European and Native) amounting to £4,882. It also provides for the maintenance of all services such as schools, medical, experimental farm, &c. It should be stated here that New Zealand has not contributed anything towards the cost of public works or improvements, these being all carried out by the local Administration out of its own funds. The works include roads and bridges, public buildings, schools, hospitals, water-supply, and other services.

The main sources of revenue are Customs duties, the export duty on copra of £1 per ton, fruit-inspection fee of 2d. per case, and sale of stamps. The staple and only industries are the growing and export of tropical fruits and copra, and this indicates how dependent the Islands are on the shipping for their income. The Resident Commissioner in his report states that if shipping-space had been available three times the quantity of oranges could have been exported, with a corresponding increase of direct fruit revenue and indirect Customs revenue.

The proposal that a differential export tax should be imposed against foreign countries is no doubt a perfectly proper one, but no mention is made of the reason why the copra was exported to the United States, which was because export to Great Britain was not allowed at all during the war, while the United States of America would take all they could get. After the Armistice space was refused for copra for Great Britain, notwithstanding that the Cook Islands are a part of New Zealand and the British Empire, and had done their share in the war. The imposition of a differential tariff would, under these circumstances, appear to be rather superfluous. It is necessary to mention these matters because the imputation in reports and references to these Islands is that the Administration has not done all it could in the matter of fostering trade. The true position is that the circumstances of the last five years have been such as to prevent even the normal development that might have been expected, and the only thing to do is to try and make up for lost time. The trade is not going away to the United States of America. It has increased with the States because the States took so large an amount of copra. If Britain will take the copra the trade will revert again.

It is quite clear that if the educational and medical services are to be carried on as they should be the Administration will require financial assistance.

Niue Island is in a somewhat similar position. The amount provided on the consolidated estimates (New Zealand) for this year is £1,975—viz., Resident Commissioner, £500; Medical Officer, £600; Assistant to Commissioner and Police Officer, £265; school-teachers, £610; total, £1,975. In addition a subsidy up to £1,100 is paid for a schooner service. This is essential owing to the isolated position of Niue, which would otherwise be dependent on casual visits of vessels.