

REPORT OF COOK ISLANDS ADMINISTRATION.

RAROTONGA.

FINANCE.

In view of the precarious financial position and the consequent uncertainty as to whether estimated revenue would materialize, the utmost economy was exercised during the year, and expenditure was cut down to a bare minimum, with the result that the financial year ended with a credit balance of £2,311 12s. 6d. Receipts amounted to £43,555 7s., and payments to £41,517 5s. 5d. Income included grants from New Zealand Government amounting to £17,464 to assist in carrying out such services as medical and education in accordance with the promise made to the inhabitants of these islands at the time of annexation, the total cost of which is beyond the resources of the local Administration.

Statement of Revenue and Expenditure, and Balance-sheet, are printed on pages 19, 20 herein, Appendix A.

The Balance-sheet takes into account the value (after writing off depreciation, £2,241 11s.) of all Administration assets in the Group as at 31st March, 1932, and all liabilities, and shows an excess of assets amounting to £80,576 0s. 9d.

TRADE.

For the year ended 31st December, 1931, the value of exports was £79,945 (1930, £109,438), and of imports £69,260 (1930, £103,468), showing an excess of exports of £10,685. For details of imports and exports for the year, see Appendix E, pages 23-29.

The following table shows how acutely the Cook Islands are suffering through the general trade depression :—

Year.	Imports.	Exports.	Total Value.
	£	£	£
1920 .. .. .	177,911	94,697	272,608
1925 .. .. .	130,609	151,939	282,548
1926 .. .. .	134,473	138,588	273,061
1927 .. .. .	116,606	138,357	254,963
1928 .. .. .	117,639	133,051	250,690
1929 .. .. .	106,835	124,486	231,321
1930 .. .. .	103,468	109,438	212,906
1931 .. .. .	69,260	79,945	149,205

Compared with 1930, exports decreased by £29,493, and imports by £34,208. The latest figures are the lowest (with the exception of the year 1915) for over twenty years. This serious shrinkage is due to the extremely low price of copra (producers receiving only  $\frac{1}{4}$ d. per pound); to the poor price of fruit throughout the period; to the short orange season in the Group islands owing to the early withdrawal of the usual cargo steamer from New Zealand (which, incidentally, caused a heavy loss of tomatoes at Rarotonga); and to the general trade depression.

The orange season was a disastrous one for Cook Islands producers. This was occasioned to a large extent by the swamping of the New Zealand markets with Australian oranges, which are admitted duty free. The following table shows how Australian imports have increased within recent years: 1929, 4,076,868 lb.; 1930, 8,111,000 lb.; 1931, 11,305,000 lb.

Cook Islands producers are still earnestly appealing to the New Zealand Government for protection against the heavy importations of citrus fruits from sources outside the Dominion's territories. With adequate protection and suitable shipping facilities, New Zealand's island possessions are quite able to provide all the Dominion's requirements of citrus fruits, bananas, tomatoes, and orange-juice.

At the present time bananas in the New Zealand markets are at a very low price owing to competition from Fiji, Samoa, Niue, Tonga, Tahiti, and Norfolk Island.

The following figures show the decline of value of copra exported from the Cook Islands during the years 1928 to 1931 :—

	Tons exported.	Total Value.
		£
1928 .. .. .	1,770	33,071
1929 .. .. .	2,020	28,648
1930 .. .. .	2,143	23,478
1931 .. .. .	1,546	11,677