11 A.- -3.

The excess of withdrawals over deposits, amounting to £1,362 4s. 6d., is due to an excess in the amount of outward transfers.

Savings-bank accounts opened during the year Savings-bank accounts closed during the year	 			
Total number of accounts open	 			
			£	
Amount at credit of depositors	 		28,198	12 - 8
Value of postal notes issued	 		608	13 9
Amount of money-orders issued	 		20,814	8 4
Amount of money-orders paid	 	, ,	4,376	18 - 9
Radio messages forwarded—				
Number	 			2,821
			£	s. d.
Value	 		1,401	2 7
Radio messages received : Number	 			2,775
			£	s. d.
Postage and revenue stamps: Total sales	 		22,277	4 3

The latter figure shows a substantial increase of £16,704–19s. 1d. over the sales for the year ended 31st March, 1937, which was considered a record year. The increase in revenue was chiefly due to the fact that New Zealand stamps, "Coronation" issue overprinted "Cook Islands," in denominations of 1d., $2\frac{1}{2}$ d., and 6d. were placed on sale from June to December, and also to the withdrawal from sale of the "King George V" issue of 1s., 2s., and 3s. early this year.

WIRELESS.

Since the erection and operation of the first wireless station in the Cook Islands (Rarotonga-Radio, in 1918) eight stations have been erected, in the following order—In the Lower Group: Aitutaki and Mangaia, 1924: Atiu, 1925: Mauke, 1929: while in the Northern Group, Manihiki and Penrhyn were in operation in 1937 and Pukapuka early this year. There are now only two inhabited islands in the Group without wireless communication, these being Mitiaro and Palmerston. Rarotonga is the parent station and maintains direct daily schedules with all stations which are at distances varying from 100 miles to 750 miles away. With the exception of Rarotonga with two Europeans on the staff, and Manihiki where the Resident Agent acts as wireless operator, all stations are operated by Polynesians. The operators are also employed in other activities, such as teaching in the schools and assisting the Resident Agents in various ways.

When Rarotonga-Radio was opened in 1918, communication with New Zealand was via Apia-Radio and transmitting through Apia was at the rate of 1s. 6d. per word. In 1930 a 1,500 watt high-frequency transmitter was installed at Rarotonga, thus permitting direct communication with New Zealand and a reduction in rates to 1s. a word to New Zealand.

In 1931 low-power battery-operated valve transmitters were installed at Aitutaki and Mangaia and the spark transmitters withdrawn from use. The change-over resulted in considerable saving in running-expenses and permitted the operators to take up other duties in addition to wireless. A medium-frequency valve transmitter was installed at Rarotonga-Radio early in 1931. A high-frequency directional array (semi-beam) was erected in November. Splendid signal reports have been received and there has been no difficulty in disposing of traffic on daylight schedules.

A special code rate came into force in 1929. Charges on code telegrams were reduced to 7½d, per word in 1935. Besides providing direct communication with the mainland, charges were reduced 60 per cent, on this class of message within a short period. An N.L.T. service was introduced in 1936 and this class of message has proved popular. Notwithstanding the reductions in rates, revenue during the last few years has continued to increase until the record level of approximately £1,380 was reached this financial year. Revenue for all Lower Group stations has also increased.

Direct communication is now maintained with Wellington-Radio, Apia, Suva, Papeete, and all Cook Islands sub-stations. All other Pacific stations can be worked direct, if necessary, in an emergency. Rarotonga signals have been reported from San Francisco in the north to Sydney in the south on the international wave-length of 600 metres. Valve transmitters now used at all sub-stations in the Lower Group are of the low-power battery-operated type, while those in use at Penrhyn and Pukapuka are of 5 watts battery-driven, the batteries being charged by windchargers. Manihiki is of higher power, the batteries being charged by a small petrol-engine.

A medical advice service which has proved of great assistance is available for use at any time by nurses and Resident Agents in the Group. This service has been made full use of in the past five years. A free press service from New Zealand and foreign stations is maintained.

At present, six cadets, who are employed in other branches of the Administration service, are being trained in wireless. All construction-work, maintenance, and rigging is, as far as possible, carried out by the station staff. During the year 1937 an efficient service has been maintained by all stations under the control of the Administration. Twenty radio-receiving licenses were issued.

under the control of the Administration. Twenty radio-receiving licenses were issued.

Number of paid messages handled, 5,503; revenue, £1,380 19s.; total revenue for station, £1,476 13s. 2d.; other messages, 4,849; weather reports, 2,174; service telegrams, 16,043; naval, 969; press (words), 445,990.

LOWER COOK ISLANDS.

AITUTAKI.

During the year the Government intention to control the handling and export of oranges was announced and received the unanimous approval of growers. The orange crop was an abnormally large one, being estimated at 40,000 cases. Unfortunately, owing to the serious lack of shipping only 17,500 cases were exported.