

Our only regular trader is one of the Union Company's boats, which calls at Rarotonga at regular intervals of twenty-eight days *en route* for Tahiti and other Society Islands. This steamer also calls at the other islands of the Cook Group whenever there is sufficient cargo to warrant the detention, and in this manner collects the fruit or other tropical produce for export to New Zealand.

At the Island of Aitutaki there is a narrow passage through the reef suitable for whaleboats only; but at Mangaia, Mauke, Mitiaro, Atiu, Takutea, and Manuae all approach to and from the shore can only be made over the barrier reef, a somewhat hazardous proceeding were it not for the great skill and local knowledge of the Maori boatmen.

At Rarotonga alone among the islands of the Cook Group are three good boat harbours situated close to the anchorage, in which steamers of 600 tons have moored safely. In this instance the natural facilities offered for commerce have been materially increased by the wharf and sheds erected by the Union Company, and by their very fine service of boats (cargo), which same could at any moment be supplemented by Maori whale-boats and numerous labourers, who would, if required, respond instantly to the call of the three Arikis (Makea, Tinomana, and Pa). Under these circumstances, I am of opinion that Rarotonga would prove to be a very suitable coal-ing-station should the necessity arise. Probably 500 tons could be placed on board a vessel in a day, and if two small flat-bottomed scows were provided 1,000 tons might be easily managed.

Exports.

Table II. sets forth in detail the exports for 1898 from the Cook Islands, and discriminates between the produce of the Cook Islands and that received from Penrhyn and other small islands for distribution from the central Port of Rarotonga. The actual value of the products in question for the past seven years has been as follows:—

Year.	Cook Islands.		Penrhyn, &c.	Total Value.
	Value.		Value.	
	£		£	£
1892 ...	15,394	4,943	20,337	
1893 ...	18,763	905	19,668	
1894 ...	18,937	1,728	20,665	
1895 ...	19,084	1,054	20,138	
1896 ...	15,486	1,333	16,819	
1897 ...	21,751	2,381	24,132	
1898 ...	11,209	1,408	12,617	

It will be noticed that the exports of 1898 show a startling decrease as compared with previous years, and this may no doubt be accounted for by the partial failure of the coffee crop and the ravages of the black aphid among the oranges.

Imports.

Table III. sets forth the imports into the Cook Islands from New Zealand and from Tahiti; Table III.(A) the imports into the Cook Islands which have been re-exported to other places; and Table III.(B) the produce of other islands imported into the Cook Group and exported beyond the Federation.

The following is a summary of Table III. :—

Year.	Imports from New Zealand.	Imports from Tahiti.	Total.
	£	£	£
1892 ...	10,998	5,251	16,249
1893 ...	10,200	9,084	19,284
1894 ...	13,152	9,283	22,435
1895 ...	16,861	6,408	23,269
1896 ...	17,157	5,911	23,068
1897 ...	22,455	4,406	26,861
1898 ...	15,332	2,323	18,155
	106,155	42,686	149,271

The Federal Revenue.

The Federal revenue is given in Table IV. for the year ending the 30th June, 1898. The following is a summary of the receipts and expenditure for the past seven years:—

Year.	Revenue.			Expenditure.		
	£	s.	d.	£	s.	d.
1892-93 ...	825	9	4	933	19	8
1893-94 ...	1,246	7	1	860	17	4
1894-95 ...	1,287	1	4	1,376	8	9
1895-96 ...	1,428	17	8	1,441	0	8
1896-97 ...	1,230	2	9	1,654	0	3
1897-98 ...	1,379	10	0	1,439	9	5
	7,397	8	2	7,705	16	1

The estimated revenue for the year 1898-99 is £2,368, the import duty having been raised from 6 to 10 per cent. in order to meet the expenses incidental to the establishment of a High Court, and of an efficient Customs and Postal Department.

The estimated expenditure for the same year is £1,630, a sum not greatly in excess of the expenditure of the year 1897-98.

My residence at Rarotonga has been of so recent a date that I cannot speak with any authority on the trade prospects of the group. The chief articles of export are undoubtedly oranges and coffee. As to the former, the prospects are not altogether encouraging; the black aphid has done much harm, but, thanks to the heavy rain of the last two months, there is a prospect of a moderate late crop.