

Niue are now desirous of being relieved of the annual charge imposed upon their revenues on account of the schooner, and it has therefore been decided to sell her on the first suitable opportunity.

7. THE FRUIT TRADE.—I regret that up to the present no satisfactory method of affording assistance to the fruit industry has been devised. The late Government declined to propose a duty on fruit imported into New Zealand from foreign possessions in the Pacific, and the present Government has not seen its way to reverse the decision of its predecessor. The question of affording assistance by means of a bonus is under consideration, but personally I am not in favour of any such proposal. To my mind, the solution of the difficulty lies in improved means of communication; and it is worthy of the consideration of Parliament whether a subsidy should not be granted for a direct service between Rarotonga and New Zealand. The present service runs monthly from Auckland to Tahiti and back, touching at Rarotonga on the way. The Resident Commissioner, however, states in his annual report that the steam service of the Union Company has been satisfactory during the past year.

JAMES MCGOWAN.

COOK AND OTHER ISLANDS.

No. 1.

SIR,—

Rarotonga, Cook Islands, 21st April, 1907.

I have the honour to forward per separate enclosure my yearly report on the state of the Cook and Northern Islands.

I have not on this occasion thought it necessary to write at any length on the Islands, as my previous report was exhaustive.

I may, however, add that the steam service of the Union Company to these Islands has been most satisfactory during the past year, and leaves but little to be desired.

I have, &c.,

W. E. GUDGEON.

Resident Commissioner.

The Hon. James McGowan, Minister administering the Islands.

Enclosure.

COOK AND NORTHERN ISLANDS.

REPORT FOR THE YEAR ENDING 31ST MARCH, 1907.

REFERENCE to Schedules A and B attached to this report will disclose that the trade of the Cook and Northern Islands has developed in a very satisfactory manner during the past year, the imports having reached the sum of £41,437, and the exports £45,925, as against £36,993 and £34,890 respectively for the preceding year.

The increase in bananas has been very steady, and has been pushed to the outside limit of safety, with the natural result that prices have been low, and in some instances unremunerative.

In the matter of coffee the export has been 104,300 lb., as against 12,656 lb. for the year 1905. But this favourable result is not in any way due to the planters: it is merely the result of a good season following a rather bad one. The price of coffee is so low that the industry has fallen into the hands of the women and children; the men consider it unworthy of their attention.

Our export of copra has been 948 tons, against 687 tons for the previous year. This is most satisfactory, inasmuch as the returns from Aitutaki show that the abnormally dry season has reduced the crop from that island to less than half the usual return. At Rarotonga, Aitutaki, and Manuae a large number of young trees have been planted, and will shortly become a factor in our