

SIR,—

Rarotonga, 8th April, 1910.

I have the honour to report as follows on the various offices under my charge for the year ended 31st March, 1910:—

Finance: The Administration still maintains its sound financial position. The revenue for the year totalled £7,655 12s. 8d., compared with £7,146 9s. 1d. during the previous year, an increase of £509 3s. 7d. Customs duties, which are now the main source of revenue, including £1,154 7s. 9d. collected in New Zealand, amounted to £4,999 0s. 1d., as against £4,841 4s. 3d. for 1908-9.

The sum of £745 10s. 6d. was collected in the Land Titles Court, being an increase of £168 14s. 5d. over the previous year. It must be borne in mind, however, that, once the lands of the principal islands of the Group are surveyed, the revenue from this source must materially decrease.

Stamps: The sales for the year were £285 7s. 5d., being practically the same as last year. In 1903-4, the sales amounted to £2,111, but the boom with stamp-dealers is now over, and all sales are for postage purposes.

Water rates increased by £36 7s., rents by £5 10s., and traders' license fees by £16 10s.

The fees and fines from the High Court decreased by £45 16s.

The Resident Magistrates' Courts at Mangaia, Aitutaki, and Atiu contributed £198 5s. 6d., compared with £205 5s. 3d. during 1908-9.

A new item, fumigation and inspection of fruit, was responsible for a return of £132 15s. 1d.

As there is every indication of another prosperous year for the traders and fruit-shippers, I do not anticipate any decrease in the revenue for the coming year.

The expenditure amounted to £8,230 2s. 11d., compared with £5,718 3s. 7d. during last year. This appears large at first glance, but of that amount no less than £3,807 14s. 2d. was expended on public works, as against £1,320 14s. 6d. during 1908-9.

A new hospital building, costing £1,368 19s. 1d., has been erected.

The sum of £605 8s. 3d. was expended on a fumigator and tramway for the fumigation of fruit at Rarotonga.

The residency, which had never been completed, and during recent years had been allowed to fall into a bad state of repair, has been thoroughly renovated, new foundations put in, outhouses erected, and connected with the water-supply. Practically nothing has been spent on this property since it was erected about fifteen years ago.

The planting of Tukatea Island with cocoanuts was completed at a cost of £121 9s. 6d. The total outlay on this island to date is £367 9s. In a few years this will be a valuable property and source of revenue.

The sum of £124 8s. 10d. was expended on the purchase of explosives for blasting the reef at Mangaia.

A kitchen, costing £63 4s. 6d., was erected for the Medical Officer.

The sum of £120 12s. 6d. was spent on Government offices at Atiu.

The repairs to the roads and bridges damaged by sea at Rarotonga in March, 1909, cost £385 1s. 10d., and furnishing the Grand Eastern Pacific Hotel, £255 19s. 8d.

After completing the above works, and paying salaries, subsidies, and odd amounts in the way of contingencies, the cash balance in hand amounts to £4,437 8s. 1d., including £1,000 on fixed deposit with the Bank of New Zealand at Auckland, and £1,000 invested in New Zealand Government 4-per-cent. debentures.

Trade: The imports and exports continue to increase annually, the bulk of the trade being with New Zealand, as it should be. The imports totalled £67,737, compared with £55,021 last year. The exports reached £73,653, as against £60,652 in 1908.

During the year a new steamer service between Wellington and Papeete *via* Rarotonga was inaugurated by the New Zealand Government. There may be divided opinions in New Zealand in regard to this service, but the traders, planters, and Natives all agree that it is of an immense benefit to Rarotonga. By this service fruit reaches the two southern cities of New Zealand in eight days, compared with fourteen days *via* Auckland. Prices have improved owing to the fruit being landed in sound condition. Large areas have been planted in bananas in anticipation of the service being made a permanent one. From Rarotonga the Wellington steamer took 4,790 tons of cargo, and the Auckland one 6,198 tons.

During the year the output of bananas increased by 9,495 cases. The increase at Rarotonga was 11,383 cases, but the outer islands fell away.

The oranges shipped amounted to 98,007 cases, an increase for the year of 18,961 cases. The orange-crop, however, fluctuates according to the season.

Of copra, 1,705 tons were exported, in comparison with 1,317 in 1908. High prices have ruled for this commodity throughout the year.

Waterworks Account: The amount outstanding on the 31st March, 1909, was £84 1s. 8d. A sum of £243 6s. 3d. was expended during the year, and £307 10s. 3d. collected, leaving £19 17s. 9d. outstanding on the 31st March last. This amount is not included in the year's surplus. The capital cost of this account now stands at £1,791 19s. 9d. Twenty-five houses were added to the list of ratepayers during the year. The rates collected amounted to £146 6s.

Licensing: The Licensing Act continues to work satisfactorily. There are a few malcontents, but such persons are to be found in every community. The profit on sales exceeds that of 1908-9 by £22 3s. 2d.; but this is accounted for by additional sales on account of dengue fever.

Postal: The quantity of mail-matter, both inwards and outwards, has been much heavier than in former years. At Rarotonga 683 money-orders, for £7,994, were issued, and 748, for £7,527, paid. The direct service to San Francisco and London greatly benefits the traders and white residents. By this service Rarotonga is within fifteen days of San Francisco and thirty days of London.

I have, &c.,

W. J. STEVENSON,

The Resident Commissioner, Rarotonga.

Treasurer and Collector of Customs.