COOK ISLANDS.

REPORT OF RESIDENT COMMISSIONER.

No. 1.

SIR,— Cook Islands Administration, Rarotonga, 30th June, 1912.

I have the honour to forward to you herewith my annual report for the year ended 31st March, 1912.

FINANCE.

I am pleased to be able to again report an increase in both trade and revenue for the year, and to inform you that the prosperity of the group of islands under my administration still continues.

Revenue.—The revenue for the year was £8,924, being an increase of £656 over the previous year. Although the revenue from Customs duties has greatly increased, and also that from the sale of postage-stamps, the total revenue has been somewhat reduced owing to shortage on other items.

Expenditure.—A total sum of £9,430 has been expended during the year—an increase of £1,383 over the preceding year. Out of this sum £4,196 was spent on public works, being an increase of £973 over the previous year. The principal public works carried out during the year are as follows: Water-supply for the Ngatangiia district, Rarotonga, £838; water-tanks for outlying islands, £487; improvement of road, and new bridges, Rarotonga, £688; Mangaia reef passage (to facilitate shipment), £625; furniture and fittings for new hospital, £330; nurses' home at new hospital, £274. The balance of the expenditure was devoted to salaries, upkeep of hospital, and minor public works.

The cash balance in hand at the close of the year was £4,151, which includes £2,000 set aside as an insurance fund.

IMPORTS AND EXPORTS.

In my last annual report I drew attention to the fact that a considerable increase in the volume of imports and exports had taken place, and during the year under review there has been a still further increase.

Imports.—The imports for the year amounted to £89,623, being an increase of £5,828 over the imports for the previous year. Of this amount £66,787 represents the value of imports from New Zealand.

Exports.—The value of the exports for the year was £91,076, being an increase of £327 over the previous year. This, however, is no indication of the greatly increased quantity of produce exported, the low prices for fruit being responsible for the small increase in value. It will be seen under the heading of "Fruit—Export, &c." that a most satisfactory increase in the output was the result of the year's work.

POST OFFICE SAVINGS-BANK.

In my last annual report I indicated that arrangements had been made for the establishment at Rarotonga of a branch of the Post Office Savings-bank. At the time of writing the bank is open for business, but it is too soon for me to say whether the system under which it is being worked—*i.e.*, that of waiting for withdrawals until advice is received from New Zealand—will suit the requirements of Rarotonga. I will report later on upon this subject. I append copy of *Gazette* notice in this connection:—

"*Post Office Savings-bank.*

"A Post Office Savings-bank, under the regulations of the New Zealand Postal Department, will be opened at Rarotonga on 1st July, 1912.

"Interest will be allowed to each depositor at the rate of 3½ per cent. per annum on the balance at the credit of his account not exceeding £300, and at the rate of 3 per cent. on the sum in excess of £300; but no interest will be allowed on more than £600.

"Interest commences on the first day of the calendar month next following the day on which a complete pound, either in one sum or several sums of less amount, has been deposited (except when a deposit is made on the first day of the month interest commences to accrue on that day), and is calculated up to the last day of the calendar month preceding the day on which the money is withdrawn.

"The interest due to each depositor is calculated to the 31st December in each year, and is then added to and becomes principal due to him.

"Repayment of deposits: A depositor wishing to withdraw the whole or any part of the sum deposited by him must make application for the same on a printed form, called a 'Notice of Withdrawal,' which he can obtain at the Post-office. A warrant for the amount required, payable at the post-office savings-bank named by the depositor in the notice of withdrawal, will reach him in due course. The warrant should be presented for payment immediately, as the amount ceases to bear interest from the day of issue.

"Rarotonga depositors must thoroughly understand that no money can be withdrawn from the Rarotonga Post-office Savings-bank except on warrants issued by the Auckland Office. No exceptions whatever, on any account, can be made to this rule.