

THE COOK ISLANDS ACT.

The new Act has come quietly into operation without friction. It is being translated into the Native language. Already it has proved to be a great improvement upon the system it superseded. It has the merits of clearness and simplicity; it is easily administered; and is, on the whole, an admirable piece of legislation.

AUDITOR'S REPORT.

The Auditor's report on the accounts of the Administration is now being prepared. His certificate is attached.

OUTLYING ISLANDS.

I expect to make the annual circuit of the rest of the Group in September next.

I have, &c.,

F. W. PLATTS,

Resident Commissioner.

The Hon. Dr. Pomare, Minister in Charge of the Cook Islands Administration, Wellington.

REPORT OF TREASURER.

SIR,—

Rarotonga, Cook Islands, 2nd May, 1916.

I have the honour to forward herewith the annual statement of revenue and expenditure for the year ended 31st March, 1916, and trade returns for year ended the 31st December, 1915.

The revenue for the year amounted to £7,672 13s. 4d., being a decrease of £2,445 1s. 11d. on that of the previous year. The most marked decline is in the Customs duties. The receipts under this heading decreased by £2,642 12s. 3d., compared with the preceding year.

The revenue, £7,672 13s. 4d., together with the cash balance of £3,092 7s. 5d. at the beginning of the year, made a total of £10,765 0s. 9d. for carrying on the Administration.

The expenditure (summary appended) amounted to £9,080 12s. 10d.

	£	s.	d.
Salaries	3,727	10	1
Public works	2,662	4	9
Contingencies	771	6	1
Subsidies	221	0	3
Hospital supplies and attendance	1,112	2	4
Experimental nursery	319	1	0
Maintenance lepers	159	16	9
Maintenance mental defective	36	11	6
Rents	25	15	0
Assistance to Natives on account of hurricane	45	5	1
	<u>£9,080</u>	<u>12</u>	<u>10</u>

It will be seen that the expenditure exceeded the revenue by £1,407 19s. 6d., and unless there is a material improvement in trade during the coming year it will be necessary to impose additional taxes if it is intended to proceed with any public works during the year.

The balance in hand at the close of the year was £1,684 7s. 11d.

Liquor Account: The Government sales for the year amounted to £31 2s., and the stock on hand at the close of the year was valued at £31 15s. 4d.

Waterworks Account: The capital now invested amounts to £6,516, and the rates for the year amounted to £384 14s. 8d.

Postal: In Rarotonga the business in this Department was close up to that of previous years. Money-orders numbering 946, value £13,981, were issued, and 1,071, value £11,811, were paid, the commission earned being £53 19s. 9d. Postal notes to the value £525 were sold. In the Savings-bank the deposits were £2,081, and the withdrawals £760.

Trade: There has been another falling-off in both imports and exports. Eliminating specie in each case, the decline totals £24,955—imports £19,142, and exports £5,813.

The pearl-shell trade has been dead ever since the outbreak of the war.

The output of copra was 773 tons, compared with 922 tons in 1914. In an average year the output should be double the quantity. The price for this article has been good, but traders have experienced a rise in freights and trouble in getting it to market, owing to the shortage of shipping.

As regards fruit, the banana trade is steadily declining. In 1914 the Islands exported 105,000 cases, while last year only 61,870 cases were sent away. The falling-off in 1915 was 23,314 cases. The drought affected the crops to some extent, but it cannot be denied that the Natives are not planting as they did in former years.

The output of oranges totalled 98,447 cases, compared with 114,338 cases in 1914, but this class of fruit receives no cultivation.

The tomato industry is very promising. In 1914 only 1,201 boxes, value £600, were shipped, while for 1915 the figures were 13,119 boxes, value £5,947. This fruit is grown in Rarotonga during the winter months and early spring, thus arriving in New Zealand during the "off" season, when good prices are obtainable.

I have, &c.,

W. J. STEVENSON,

The Resident Commissioner, Rarotonga, Cook Islands.

Collector of Customs and Treasurer.