

Particulars of balance show that it is made up of cash, £2,092 6s., and stocks on hand, £2,556 6s. 6d., less £675 14s. 9d., being the difference between amounts due to the Administration and amounts owing.

Principally as a result of the severe storm of April, 1926, the financial year under review was commenced with a debt to the New Zealand Government of £4,904 6s. 3d., made up of £2,000 granted on loan without interest, and £2,904 6s. 3d. against Advances Account.

The revenue increased by £1,315 over the previous year, but £1,000 of this amount is accounted for by increased stamp sales due to the new 2½d., 4d., and 3s. issues.

By the strictest economy in all Departments the total expenditure for the year was kept down to £17,993 10s. 10d., which resulted in the improved financial position shown, and permitted a reduction in the indebtedness to the New Zealand Government by £1,698 2s. 1d. Notwithstanding this the credit balance of the Administration account shows an increase of £2,319 15s. 4d. over last year.

With increasing activities in various directions, such as medical services, education, public works, &c., to which we are rightly committed, expenditure is steadily increasing, and it has been a very difficult matter during the last two financial years to carry these on with a somewhat uncertain revenue and at the same time to try to reduce our indebtedness to the Government. Projects such as road-improvement, electric lighting, water-supply extension, provision of filter beds, and a consumptive sanatorium, which must be undertaken sooner or later, are being held over until finances are in a better position, or until New Zealand is able to grant additional financial assistance for such necessary undertakings.

The balance-sheet set out hereunder takes into account the value (after writing off £2,125 18s. 8d. for depreciation) of all Administration assets throughout the Group as at the 31st March, 1929, and all liabilities, and shows an excess of assets amounting to £75,902 2s. 7d.

Balance-sheet as at 31st March, 1929.

<i>Liabilities.</i>			£	s.	d.	<i>Assets.</i>					
Accumulated funds	75,902	2	7	Land	..	..	9,476	15	0
Sundry creditors	3,583	10	9	Buildings	..	..	45,909	6	1
						Waterworks, Rarotonga	..	..	4,749	14	0
						Water-tanks, Outer Islands	..	..	1,602	19	10
						Telephone system	..	..	864	11	10
						Plant and tools	..	..	3,312	15	6
						Office furniture and fittings	..	..	691	2	2
						Furniture, household	..	..	4,096	16	10
						Boats	..	..	426	14	3
						Motor-vehicles	..	..	798	9	4
						Stocks on hand	..	..	2,556	6	6
						Sundry debtors	..	..	2,907	16	0
						Cash in hand, Resident Agents	..	..	67	15	4
						Cash in bank	..	..	1,223	7	0
						Cash in hand	..	..	801	3	8
			£79,485	13	4				£79,485	13	4

TRADE.

For the year ended 31st December, 1928, the value of the imports was £117,639, and of exports £133,051, showing an excess of exports of £15,412. For the previous year the figures were—Imports, £116,606; and exports, £138,357.

During the year 142,315 cases of oranges and other citrus fruits, 47,410 cases of bananas, and 51,955 cases of tomatoes were exported to New Zealand.

The following comparative table shows the exports of our main products for the last five years:—

	1924.	1925.	1926.	1927.	1928.
Citrus fruits (cases)	177,396	94,773	169,668	123,021	142,315
Bananas (cases)	78,453	85,451	30,766	45,470	47,410
Tomatoes (cases)	25,438	61,064	72,087	41,080	51,955
Copra (tons)	2,250	2,440	1,245	1,676	1,770

Although the export of oranges, bananas, and tomatoes showed an increase of 32,000 cases over the previous year, and copra an increase of 100 tons, the total value of exports decreased by £5,306, owing to the low prices ruling for fruit (particularly oranges), and the falling price of copra in the world's markets.

The orange output was not a normal one, owing to a short crop in the Group Islands.

Since 1925 banana export has shown a considerable drop from previous years, due partly to poor prices obtained up to that time, and partly to the increased cultivation of tomatoes.

The copra export is, roughly, 500 tons below a normal year's output, due partly to the 1926 storm, partly to the poor prices, and partly to a considerable decrease in the export from Penrhyn, one of the main copra-producing islands, through the people turning their attention to pipi-pearl diving.

As the mail contract with the Union Steamship Co. expires at the end of 1929, representations are being made for more favourable conditions in regard to passenger fares, freight and lighterage charges on fruit, space for fruit on mail-steamers, and the more regular carriage of copra to San Francisco.

For details of the imports and exports for the year just ended, together with a summary for the past fourteen years, see Appendix A, page 37.