

In my last report I pointed out that the annual recurring expenditure of the Administration had reached a sum that left very little margin wherewith to carry out necessary public works. During the year just ended the surplus funds of the Administration accumulated during past years were drawn upon to the extent of £572 15s. in order to carry out such works. Of course it is obvious that with the limited funds at the disposal of the Administration the practice cannot be continued, and unless power is given to raise additional revenue, as suggested in my last report, many of the contemplated new works will have to be abandoned, at least for the time being.

I append hereto a statement showing the estimated expenditure for the year 1914–15.

#### TRADE.

The value of the imports for 1913 was £13,761, and of the exports £12,170, the value of the total external trade being £25,931. With the exception of the year 1912, which was abnormally large, the trade for the past year was greater than that for any preceding year.

As predicted in my last report, the adverse weather-conditions experienced during the latter part of 1912 and the first three months of 1913 seriously affected the coconut-trees. 460 tons of copra, valued at £9,993, were exported, as compared with an output of 792½ tons, valued at £14,318, in 1912. Fortunately the market price of copra reached the highest point on record during 1913, and materially assisted the Natives in what otherwise would have been a comparatively lean year. In Niue the coconut-tree is the principal source of wealth, and the trade at the island is, to a very great extent, governed by the value of the copra produced.

The Niue plaited-hat industry revived somewhat, 2,784 dozens, valued at £1,651, being exported, as against 1,416 dozens, valued at £731, shipped during 1912.

Returns giving full details of the imports and exports are attached hereto.

#### TRADE PROSPECTS.

The trade indications for the year 1914 are distinctly good, although there has been a considerable fall in the price of copra. The coconut crop, which will be harvested rather later than usual, promises to be a record one, while the Niue plaited hats appear to be coming into favour again, and the industry is being revived.

With steam communication between Niue and Auckland, either direct or via Tonga, it would be possible for Niue to enter the tropical-fruit trade. For years past the Niueans have been asking for such a steamer service, but there does not appear to be any prospects of an improvement, at least until the present schooner contract has expired. It is not generally known that the bananas grown in Niue are superior in quality and flavour to those usually marketed in New Zealand, but such has been admitted over and over again by those most competent to judge in the matter. There is no doubt that with a service by steamer the trade of Niue would enormously increase in the course of a year or two, but so long as we have to depend on a sailing-ship progress will be slow.

#### PUBLIC WORKS.

The amount spent on public works during 1913–14 was £1,569 15s. 7d., the largest amount spent in any one year so far. This would not have been possible but for the fact that the accumulated funds of the Administration were drawn upon to the extent of £572.

The following are the particulars of the principal works carried out:—

*Roadside Tanks.*—The sum of £85 7s. 10d. was expended in extending this system. Nineteen new tanks were erected during the year, making twenty-six tanks erected since the work began. It can safely be said that no single work yet undertaken in Niue has met with such a popular reception from the Natives as the erection of these small drinking-tanks along the roads. Six more tanks are required to complete the system. A total of £151 10s. 1d. has been spent on these tanks to date.

*Avatele–Fatiau Road.*—Distance, 1 mile 60 chains. Fatiau is the last of the villages to be joined up to the road system. Previously there was only a very rough bridle-track into the village, but a good road suitable for vehicular traffic has now been made. The total cost of this work was £160 6s. 2d., of which £134 12s. 2d. falls into this year's account.

*Improvement of Live-stock.*—£39 19s. was expended in connection with the Government stud pigs. The work on the whole has been very successful, fully a hundred and fifty young pigs, the descendants of the imported stock, being distributed throughout the island. The second boar having died, the remaining animals have now been sold and the work terminated.

*Peta Hill Road (Widening and Regrading).*—Distance, 41 chains. This proved the heaviest work of its kind yet undertaken in Niue. The grade of the old road at its steepest place was 1 in 6·6 and very dangerous; and, as the road afforded the only practicable route into Alofi from the villages on the eastern side of the island, a considerable expenditure was called for. In order to obtain a satisfactory grade and width it was found necessary to blast a cutting 18 ft. wide through solid rock at an average depth of 10 ft. for a distance of 330 ft. Of the remaining 36 chains, 21 chains required blasting out at depths varying from 4 ft. to 7 ft., while for a length comprising 15 chains it was necessary to build up the road with packed rock to heights ranging from 2 ft. to 7 ft. The road throughout has been made of a uniform width of 18 ft. On the old road the grade was 1 in 6·6 at the steepest place, while the heaviest grade in the new road is 1 in 17 for 5 chains, and very much less for the remaining 36 chains. The work, which cost altogether £1,097 3s. 4d., took forty men thirty-eight weeks to complete. £957 5s. 9d. was spent in 1913–14, while the balance will fall into next year's account.

*Purchase of Land at Vaimilo (£125).*—This land, which adjoins the Residency grounds on the northern side, was offered by the owner for sale to the Government. The section, which com-