

The balance in hand is also a record one, but is naturally swelled by the hospital donation and our inability to get, owing to the dislocation of the subsidized shipping service, all the material so urgently needed for carrying on our work here.

TRADE.

The value of the imports for the year just ended amount to £20,524, being £1,259 less than for the preceding year. Of course, high prices account, as they have done for the last few years, for such large figures. But even then, if a fair deduction to cover the increase of prices be made, the result is an amount hitherto beaten only thrice since the occupation of this island by the New Zealand Government. Every year the demand for European foodstuffs and clothing on the part of the Natives is becoming greater; consequently, given regular communication with the outside world, this item should always be an increasing one. As this demand becomes greater the use of money will ever be more acutely felt by the Natives, upon whom the effect of such should be in the direction of compelling them to go in more extensively for the growing of coconuts and other tropical produce. Here again, had communication with New Zealand been maintained right throughout the year, a record in imports would presumably have resulted.

The value of the exports is very much down, there being a decrease from last year of £22,837. But in connection with this decrease one point has to be remembered, and that is this: the main article exported from Niue is copra, on which the average valuation for the year just closed was 33 per cent. higher than for the preceding year. It follows, then, that the drop is more serious than it appears at first sight to be. The main causes in the decrease in export are these: Only a small number of ships capable of carrying outward cargo visited Niue during the year. Of the nine ships that entered, four of them did not take a single pound of outward cargo. Then, those that did carry anything away were only two small schooners capable of carrying only small cargoes. Moreover, the island was visited in the early part of last year by a small hurricane, which, while it did not do a great deal of damage at the time, still accounted for a shortage of copra, because for months subsequent to that event great quantities of nuts continued to drop prematurely from the trees, owing to the great shaking they then received. It goes without saying that the unfortunate loss of the subsidized schooner "Jubilee" naturally caused a great amount of dislocation of trade.

At present the prospects for the coming year are promising as far as the production of copra is concerned. The coconut-trees apparently have recovered from the hurricane mentioned above, as they all seem to be bearing excellently, due to a very great extent to the careful attention that has been given to the weeding of plantations.

SHIPPING.

The subsidized schooner service proved a failure last year, despite the fact that the vessel used was an auxiliary schooner. To begin with, she did not arrive here on her first trip till the beginning of the second week in May. Then it took over two months for her to return to Niue on her second trip. Unfortunately, on her third trip to Niue from Auckland, which port she left on 14th August she disappeared, and has not been heard of since. This is the second schooner subsidized by the New Zealand Government to run to Niue that has been lost within two years. Other vessels that have called at Niue during the year were the "Mokoia" (with the Parliamentary Party on board), the "Ogre" (the small pleasure-ship of Mr. Ralph Stock, the author), H.M.S. "Veronica," N.Z.G.S. "Tutanekai," and the auxiliary schooner "Ajax" (three times), from Samoa.

Never has there been felt greater need for a regular and more frequent service than has been felt during the last year. On four occasions relief in the shape of foodstuffs had to be brought to the inhabitants of this island. Had it not been for the timely visits of the "Mokoia," "Veronica," "Tutanekai," and "Ajax," it would have been very awkward for white and brown people alike. Fortunately there was no hurricane during the hurricane season just closing, otherwise all and sundry would have fared very badly. Much-needed provisions, that in the ordinary run of even an erratic subsidized service should have reached us last November, have not yet put in an appearance, and probably will not do so for some considerable time yet. The crying need of this isolated outlier of the Empire is regular, consistent, and dependable communication, spread over the whole year, by means of a good and efficient vessel. The conditions which obtain now very materially hinder the progress of the island. Until such time as a regular service can be instituted, trade and agriculture will languish, for it is impossible to get the Natives to go in for extensive planting without being able to assure them of a steady, regular, and efficient means of getting their produce away.

Consequent on the loss of the "Jubilee," the "Veronica" called here at the beginning of last November, followed by the "Ajax" later in the same month. Advantage was taken of the visit of the last-named vessel to send her to Beveridge Reef to search for the "Jubilee." After a thorough search no signs of her were discovered. Immediately on the return to port of the "Ajax" the "Tutanekai" arrived in quest of the "Jubilee." So that apparently nothing was left undone by the New Zealand Government to ascertain fully the fate of the unfortunate schooner.

HOSPITAL.

On the receipt early last year of the plans and specifications drawn up by Dr. Chesson, the erection of the Lord Liverpool Hospital was immediately proceeded with. The Administration was very fortunate in obtaining as foreman of works a very capable man, who has evinced the greatest interest in the progress of the buildings pertaining thereto. So far the work done is of a very satisfactory nature. From the outset the work was assiduously carried out by Native labour, until